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THE ASSOCIATION

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General Secretary American Bankers Association.

THOMAS B. PATON, EDITOR,
General Counsel American Bankers Association.

W. W. WAINE, ASSOCIATE EDITOR.

VOL. 6

JUNE, 1914

No. 12

OFFICERS AMERICAN BANKERS ASSOCIATION, 1913-1914.

PRESIDENT:

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Des Moines, Ia.

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GENERAL COUNSEL:

THOMAS B. PATON, 5 Nassau Street, New York City.

MANAGER PROTECTIVE DEPARTMENT:

L. W. GAMMON, 5 Nassau Street, New York City.

CIPHER CODE.

ALL members of the Association have been supplied with a copy of the new Code, which became operative on May 15, 1914. Experience shows that in some few cases the instructions for the proper use of the Code and information relating to the Key to the Test word, which was sent under separate cover, are not carefully read. Our members are therefore respectfully urged to read carefully all information contained in the Code and the slip relating to the Key and to follow the same, and thus avoid any possible misuse of the Code. The information given relative thereto is complete and, if carefully perused, no mistakes should be made.

FOR NUMERALS OR DOLLARS THE FIGURES IN HEAVY-FACED TYPE IN THE CENTER COLUMN SHOULD BE USED. DO NOT USE NUMBERS DIRECTLY TO THE LEFT OF CODE WORDS FOR THIS PURPOSE.

THE TEST WORD IS NOT TO BE TRANSLATED.

The Code is being used by a very large percentage of our membership, and those not using the same are requested to do so. Secrecy and safety in the transmission of telegrams are insured, and through the use of ciphers a large sum of money will be saved each year.

The Code should be carefully guarded and its contents be considered confidential. It is to be used only between members, and if additional copies are desired they may be secured at \$1.00 each.

If the special letter referring to the Code, containing a copy of the Key to the Test word, has not been received, the General Secretary should be

promptly notified. Before doing so a careful investigation should be made in an endeavor to locate the letter and enclosure.

Members who have not signed the card under the front cover of the Code, acknowledging its receipt, are requested to do so at once and forward the same to the office of the Association. Those who have not returned the Code of 1908 (bound in blue cloth) should do so promptly.

The attention of our members is again called to the action taken at the Executive Council meeting at Hot Springs, Va., to the effect that such members of the Association as desire may print on their letterheads and other stationery "A. B. A. Code used" or "American Bankers Association Code used."

W. G. F.

GENERAL INDEX TO VOLUME VI.

THIS month's issue of the JOURNAL-BULLETIN completes Vol. VI, comprising the twelve numbers commencing with July, 1913, and ending with June, 1914. The index, together with title page, is enclosed in this issue and can be inserted in its appropriate place in the volume by all those who preserve the JOURNAL-BULLETIN in bound form.

The volume is indexed under different headings and makes a useful work for ready reference.

A limited number of Vol. VI is being bound in three-quarter leather to match previous volumes, and can be had at cost (\$2.50) on application to this office.

Those who desire to preserve their own copies in bound form and are in need of any of their missing numbers can be supplied from our files until same is exhausted.

REGISTRATION AT OFFICES.

THE following visitors registered at the Association offices during the month of May:

- Aiken, A. L., President Worcester National Bank, Worcester, Mass.
 Armstrong, D. M., Cashier Commercial Trust and Savings Bank, Memphis, Tenn.
 Barlow, C. C., Vice-President and Cashier The Yale National Bank, New Haven, Conn.
 Bayliss, Henry C., Cashier, Bergen County Bank, Rutherford, N. J.
 Blinn, Chas. C., Jr., Vice-President National Union Bank, Boston, Mass.
 Cutler, Ralph W., President Hartford Trust Company, Hartford, Conn.
 Dickerman, C. H., President First National Bank, Milton, Pa.
 Dismukes, J. T., President First National Bank, St. Augustine, Fla.
 Dunning, D. M., President Auburn Savings Bank, Auburn, N. Y.
 Edwards, G. E., President Dollar Savings Bank, New York City.
 Fancher, E. R., Vice-President Union National Bank, Cleveland, Ohio.
 Flack, John F., President City National Bank, Omaha, Neb.
 Franklin, N. E., President First National Bank, Deadwood, S. D.
 Fuller, Oliver C., President Wisconsin Trust Company, Milwaukee, Wis.
 Gethoefter, L. H., Vice-President, Marine National Bank, Buffalo, N. Y.
 Goff, F. H., President Cleveland Trust Co., Cleveland, Ohio.
 Goldwater, Morris, President Commercial Trust and Savings Bank, Prescott, Ariz.
 Harris, B. F., Vice-President First National Bank, Champaign, Ill.
 Hayes, R. W., Cashier Hayes National Bank, Clinton, N. Y.
 High, Wm. H., Asst. Cashier Anglo and London-Paris National Bank, San Francisco, Cal.
 Howe, E. L., Treasurer, Superior Savings and Trust Company, Cleveland, Ohio.
 Hudson, A. W., Vice-President First National Bank, Syracuse, N. Y.
 Jess, Stoddard, Vice-President First National Bank, Los Angeles, Cal.
 Johnson, E. L., Vice-President, Leavitt and Johnson Trust Company, Waterloo, Ia.
 Kennard, Edward S., Cashier, Rumford National Bank, Rumford, Maine.
 Knox, Wm. E., Comptroller Bowery Savings Bank, New York City.
 Lampert, Nelson N., Vice-President Fort Dearborn National Bank, Chicago, Ill.
 Lederer, Richard M., Cashier, Lederer's Banking House, New York City.
 Lersner, V. A., Asst. Cashier Williamsburgh Savings Bank, Brooklyn, N. Y.
 Lynch, James K., Vice-President First National Bank, San Francisco, Cal.
 Mason, John H., Vice-President Commercial Trust Company, Philadelphia, Pa.
 McHugh, John, President, First National Bank, Sioux City, Ia.
 Milmine, E. L., Cashier Mohawk National Bank, Schenectady, N. Y.
 Passmore, R. H., Cashier National Bank of Chambersburg, Chambersburg, Pa.
 Puelicher, J. H., Vice-President and Cashier, Marshall and Ilsley Bank, Milwaukee, Wis.
 Ramsey, George L., President, The Banking Corporation, Helena, Mont.
 Reuss, G. A., Vice-President and Manager Marshall and Ilsley Bank, Southside Branch, Milwaukee, Wis.
 Romig, H. L., Trustee Auburn Savings Bank, Auburn, N. Y.
 Rogers, George W., Cashier Bank of Commerce, Little Rock, Ark.
- Ross, P. H. W., President The National Marine League, Washington, D. C.
 Runkle, Delmer, President, Peoples National Bank, Hoosick Falls, N. Y.
 Sartori, J. F., President Security Trust and Savings Bank, Los Angeles, Cal.
 Schachte, Henry, President The Germania Savings Bank, Charleston, S. C.
 Smith, Henry P., President, First National Bank, Tonawanda, N. Y.
 Smith, Tom O., Vice-President Birmingham Trust and Savings Company, Birmingham, Ala.
 Stetson, E. W., President Citizens National Bank, Macon, Ga.
 Stephenson, R. C., Vice-President and Treasurer St. Joseph County Savings Bank, South Bend, Ind.
 Stewart, D. W., Asst. Cashier The Philadelphia National Bank, Philadelphia, Pa.
 Strong, S. Fred., Treasurer Connecticut Savings Bank, New Haven, Conn.
 Sullivan, J. J., President Central National Bank, Cleveland, Ohio.
 Swanton, Thomas J., President National Bank of Commerce, Rochester, N. Y.
 Tefft, E. S., Cashier First National Bank, Syracuse, N. Y.
 Teter, Lucius, President, Chicago Savings Bank and Trust Company, Chicago, Ill.
 Todd, Geo. W., Rochester, N. Y.
 Tripp, James H., President First National Bank, Marathon, N. Y.
 Van Wagener, J. R., President First National Bank, Oxford, N. Y.
 Wallace, G. M., Asst. Cashier Security Trust and Savings Bank, Los Angeles, Cal.
 Wade, Festus J., President Mercantile National Bank, St. Louis, Mo.
 Wing, E. M., Vice-President Batavia National Bank, La Crosse, Wis.

OUR TRAVELERS' CHEQUES.

ANATURAL and not unexpected result of the vigorous policy followed in promoting the interests of the Association's system of travelers' cheques is the fact that many banks which, previous to the establishment of the Association's cheques, had never had any call for travelers' credits are now having a steady, consistent demand for the "A. B. A." Cheques. This situation is plainly revealed by the numerous applications received by the Trustee from banks stating that the active call for "A. B. A." Cheques has led them to apply for the privilege of issuing the cheques.

The general experience has been that banks which made early arrangements for issuing the Association's cheques, and have consistently pushed their sale, are now selling cheques in such quantities as to make the business very profitable directly, and very much worth while indirectly, through the new customers that come as the result of the travelers' cheque business.

BRANCH BANKS.

IT does not seem to be generally understood by our members that branch banks are eligible to membership in the Association. Branch banks do not and cannot receive membership benefits unless a regular membership is taken out. It is not practicable nor could the Association afford to give to branch banks without charge the full advantages of the protective feature and other facilities of the Association.

There are now over three hundred branch banks members of the Association. The dues for a branch bank are ten dollars where the branch does not have separate capital. Branches with separate capital are charged on the same basis as parent banks, based on the amount of capital and surplus.

Branches joining the Association are given all the privileges of the Association. They are carried on the membership list as regular members, are furnished with the A. B. A. sign, which is a warning to criminals, and receive the full benefits of the protective department.

RICHMOND.

RICHMOND, a typical Southern city abounding in historic interest, the storm center of the Civil War and designated the capital of the Southern Confederacy in years gone by, will appeal to the patriotism of the great assemblage of Americans who will gather there on the occasion of



CAPITOL BUILDING.

the fortieth annual convention of the American Bankers Association in October next.

At the close of the war the city was evacuated on April 3, 1865, at which time it was almost entirely destroyed by a conflagration originating in the arsenals and warehouses, fired by the Confederates on their departure. Out of the ashes, however, has grown a new and more beautiful city, one which still cherishes the traditions of colonial days and yet has adapted itself to modern conditions and become an important factor in the commercial world.

The twenty-sixth annual convention of the Association was held in Richmond, October 2, 3 and 4, 1900, and the bankers attending this year's convention, who were there at that time, will find great changes in the direction of progress, and possibly in

ington Monument. The State Capitol was originally built in 1785 and remodeled and enlarged in 1905. The State Library Building, which adjoins the Capitol, contains many historic relics and has a very fine portrait gallery. The Governor's mansion is also located in the square, being a fine colonial structure built in 1815. The equestrian statue by Crawford on the Washington Monument is surrounded by six figures—Patrick Henry, Thomas Jefferson, George Mason, Thomas Nelson, Jr., John Marshall and Andrew Lewis. This is one of the most celebrated monuments in the country, sixty feet in height and cost \$260,000. In Capital Square is also the old Bell Tower, used during the Civil War to give warning of the approach of Federal troops.

Among the historic homes and sites are the home of Jefferson Davis, known as the "White House of the Confederacy," situated at Twelfth and Clay streets and now used as a Confederate museum. At 707



WASHINGTON MONUMENT.

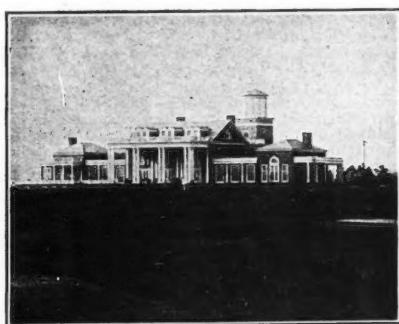
East Franklin street was the home of Robert E. Lee, now occupied by the Virginia Historical Society as a museum. On the river front, near Gallego Mills, is the site of the famous Libby Prison, the prison building having been removed to Chicago at the time of the Columbian Exposition.

The Country Club of Virginia is located in one of the most beautiful spots of the South, being a few miles from the Hotel Jefferson and reached by trolley or automobile. The club nestles among the foot-hills, standing on a knoll from which the eye is enchanted by the beautiful scenery. The golf course is one to appeal to golf enthusiasts, covering as it does many miles of rolling land—up hill and down dale. There are also very fine tennis courts.

Some other noteworthy points of interest are the Old Stone House, at one time Washington's headquarters, at Twentieth and Main streets; the oldest Masonic Hall in the United States on Nineteenth street, built in 1857, and Franklin street, known as the Fifth avenue of Richmond, where on Sundays crowds promenade this famous thoroughfare.

This year's convention is to be held the week of October 12th, the headquarters being at the Hotel Jefferson. At that time of year Richmond is at its best.

The local committees, which were appointed some time since, have already commenced work on arrangements which will be so systematized as to insure the comfort of all those who will be in attendance at the convention.



COUNTRY CLUB OF VIRGINIA.

no respect has there been greater advancement than in the banking business. The bank buildings have kept pace with other modern structures, some of them being twenty stories in height, giving a metropolitan appearance to Richmond's skyline.

Richmond is noted for its picturesque squares and parks. In Capital Square is located the State Capitol Building, the State Library and the Wash-



TRUST COMPANY SECTION



OFFICERS, 1913-1914.

PRESIDENT:
F. H. GOFF, President Cleveland Trust Co., Cleveland, Ohio.

FIRST VICE-PRESIDENT:
RALPH W. CUTLER, President Hartford Trust Co., Hartford, Conn.

CHAIRMAN EXECUTIVE COMMITTEE:
JOHN H. MASON, Vice-Pres. Commercial Trust Co., Philadelphia, Pa.

SECRETARY:
PHILIP S. BABCOCK, 5 Nassau Street, New York City.

TRUST COMPANY SECTION.

THE spring meeting of the Executive Committee of the Section held at Hot Springs, Va., on April 30th, as noted in the May number of the JOURNAL-BULLETIN, was of great interest as showing the varied and continued activities of the officers and members of the committee in the interest of the membership at large. Since the Boston meeting the membership has been notified from time to time by circular letters of what was being done to protect and further the interests of trust companies in so far as such interests were affected by the new Federal Reserve law and the provisions of the Income Tax features of the present tariff law. Sub-committees of the Executive Committee of the Section made frequent visits to Washington relative to these matters, and it may be said that while not accomplishing all that was desired, the views presented to Senators and Congressmen who were influential in the then proposed legislation met with approval and were in many instances adopted. The reports of these sub-committees were submitted at the Hot Springs meeting and were ordered made a part of the proceedings of that meeting. The laws in question having been enacted it is unnecessary to print here these reports, but after their presentation Mr. John H. Mason, chairman of the Executive Committee and a member of the several sub-committees, addressed the meeting, and believing that his statement of the situation as viewed by him should prove of very considerable interest to all members of the Section it is published herewith.

Mr. Mason addressed the meeting as follows:

Before the meeting adjourns, and if I may trespass upon your time, I would like to present to you the thought that it is most important that we give careful consideration to the trend of affairs at the National Capitol.

I have been in rather close touch with much of the legislation at Washington. A multitude of bills are now pending, regulating and curtailing the activities of the business world. Some of them are nearly sure of enactment, as the influence of the Administration is behind them.

We are confronted with commissions to rule and regulate most everything. I am quite frank to admit that there is much good in this, although, to a great extent, it depends on the ability and experience of the members of the commissions whether the RULE shall prove to be good or ill.

On nearly every hand in Washington you are confronted with the statement—"We are in the midst of a New Freedom." I fear that I am not quite sure of this. What I do KNOW is we seem to be passing through a much heralded era and the claim is advanced that the new laws being advocated by the theorists in and out of Congress will prove a panacea for all our ills. There has been and still is, although somewhat lessened, an urging that Congress regulate all big business, regardless of the law of Demand and Supply; a policy which spells FAILURE and yet re-

sponsibility for this result is in no way assumed by the Government.

During the past year Congress has enacted two bills vitally affecting the bankers of this country—the Income Tax Section of the Tariff Bill and the Currency Bill. We have all had some experience with the former. The Rules and Regulations issued by the Internal Revenue Department I am quite sure were never dreamed of by the framers of the law. There was great delay in issuing them; to make the situation more complex it was necessary to withdraw some, and as they now stand, they are unnecessarily burdensome. Nearly all these difficulties could have been avoided had a little more consideration been given by the department to the practical suggestions made by the trust company officials.

The currency system has been revised, and it seems to be the thought amongst bankers that most of the features of the new law are good. However, its success or failure will, to a great extent, depend on the personnel of the Federal Reserve Board and we are still in the dark as to the appointees. The twelve Regional Reserve Districts have been announced, and Congress, of course, could delegate to the organization board the right to designate the districts, but surely the board's effort to delegate to a district the power which has heretofore flowed naturally through ordinary relations of supply and demand cannot possibly be successful. The United States with its untold resources and its vast diversified industries should be a stranger to depression. However, each day the army of the unemployed is increased. There is a shrinkage in the business of the great industrial plants, the earnings of the railroads decreased. Confidence, the cornerstone of all prosperity, is being shattered.

It seems to me the present state of affairs is unwarranted. Economic conditions are perfectly sound, but we are in what might be called a "LEGISLATED DEPRESSION," brought about by the effort of our legislators, both Federal and State, to enact laws which are not based on sound economics. It really seems as though the Federal Government was against big business just because it is big. Its plan is to limit the field of endeavor and to restrain intelligence with the expectation that thereby the inefficient will be able to prosper equally with the efficient. I wonder if Congress really has reached that "STATE OF DREAMLAND" that if Nature erred in making some men more capable than others, by enactment it can and will correct the fault.

I commend to you the thought that you use your influence and good offices at home to urge upon your legislators, both National and State, to cease the enactment of new laws, to cease the investigation of corporations, and give the tired and much perplexed business man a short period of peace and rest in which to readjust himself to the new conditions, and then, ere long, confidence will be restored, the vast army of unemployed at work, conditions sound and prosperous, and what is more, the dawn of a day when our Government and business will be hand in hand as they should be, for one cannot prosper without the other.

SAVINGS BANK SECTION



OFFICERS, 1913-1914.

PRESIDENT:
J. F. SARTORI, President Security Trust & Savings Bank,
Los Angeles, Cal.

FIRST VICE-PRESIDENT:
W. E. KNOX, Comptroller Bowery Savings Bank, New
York City.

CHAIRMAN EXECUTIVE COMMITTEE:
N. F. HAWLEY, Treasurer Farmers & Mechanics Savings
Bank, Minneapolis, Minn.

SECRETARY:
E. G. McWILLIAM, 5 Nassau Street, New York City.

HOW THE MOTION PICTURE PLAY MAY BE UTILIZED.

WITHIN the past two weeks the following letter has been addressed to every member of the Savings Bank Section:

Gentlemen:

In connection with our Thrift Campaign a motion picture play entitled "The Reward of Thrift" has been produced by the Vitagraph Company of America. This play had its initial exhibition at the Trust Companies Banquet at the Waldorf, New York, on the evening of May 4th, and is a pronounced success.

"The Reward of Thrift" will be released for general exhibition throughout the country on September 15th, through the General Film Company, New York, and its branches.

In its October number, which will be on sale throughout the United States September 15th, the Motion Picture Magazine will feature a complete story of this play, and in order that the banks may obtain some direct benefit from this effort it is most desirable that the widest publicity be given this story. To that end arrangements have been made with the Motion Picture Magazine to designate the October issue a "Thrift Number" and to furnish same to banks with "Compliments of _____ Bank" printed thereon, at nine and three-quarter cents per copy, transportation prepaid. It is earnestly recommended that banks avail themselves of this offer and distribute a large quantity of this October issue to their depositors and the general public, at the same time stating where the play may be seen.

It is further suggested that our members arrange with motion picture exhibitors in their respective towns for the production of this play at the earliest possible moment after release, and that they also arrange for a slide setting forth an advertisement of the bank to be shown with the play. These slides will be furnished by the Motion Picture Magazine at cost, which is but a few cents.

The offer of the Motion Picture Magazine is enclosed herewith, and trusting that our members will co-operate in securing the greatest possible benefit to themselves and their communities from this feature of our work, I am,

Very truly yours,
(Signed) E. G. McWilliam, Secretary.

While the fundamental object of our Thrift Campaign is to direct thought toward thrift, a logical result of the campaign will be to direct savings into banks; and undoubtedly "The Reward of Thrift" will do more than any other one agency toward these ends. Hence in order to apply this medium practically, the aid of the Motion Picture Magazine was enlisted and without any profit or benefit to itself other than what advertising may accrue to it, this Magazine has agreed, besides bringing out the Thrift number mentioned in our letter, to circularize twelve thousand motion picture theatres calling attention to the play and suggesting co-operation with the banks in its pro-

duction, and further to send out lantern slides announcing the play and the story to two thousand theatres. It is estimated that about 800,000 people will see this preliminary announcement daily.

The release of "The Reward of Thrift" for general exhibition has purposely been deferred till September 15th, in order to gain full benefit from this preliminary publicity.

In the meantime it is suggested that the banks of each town, individually or collectively, get in touch with the local motion picture exhibitors and in consideration of their agreeing to produce the play, distribute thrift publicity matter which besides being an advertisement for the banks will also call attention to the play and where it may be seen. The October number of the Motion Picture Magazine mentioned in our letter would be most appropriate for this purpose. Then in consideration further of this co-operation upon the part of banks the exhibitors undoubtedly can be induced to show a slide immediately following the play which will suggest a bank or banks as convenient aids to thrift.

As this effort will reach upwards of seven millions of people a year in this country alone, it is earnestly hoped that the banks either in the manner suggested, or in a better one, will co-operate toward securing the greatest benefits, both economic and commercial, to be derived therefrom.

SCHOOL SAVINGS BANKS GROWING IN CHICAGO.

By Joseph R. Noel, President North West State Bank, Vice-President Savings Bank Section for Illinois.

WHEN do I get a chance to put money in the bank?"

This question was asked by a nine-year old boy who is a pupil of one of the lower rooms of the Wicker Park School, where a School Savings Bank has recently been installed; but on its third day the pupils of his room had not yet been invited to become depositors. In addition to taking care of the subsequent deposits of those who opened accounts on previous days, the pupils of only a few additional rooms are permitted to become depositors during the half-hour the bank is open one day of every week.

Care is being taken to avoid having these school Banks interfere with the regular school hours or work. The usual bank hour, or rather half-hour is on Tuesday morning from 8:30 to 9.

From seven rooms of the Wicker Park school there are now 166 depositors with total deposits of \$111.15. Their third day was their biggest one. Forty-eight new accounts were opened. Deposits were \$54.50. Two depositors "graduated" from the School Bank and have opened accounts of \$5 each with North West State Bank which is the depository selected by the principal of the Wicker Park School.

For the most part the deposits on succeeding days are larger than those on the opening days. The Summer School Savings Bank took in \$18.50 on its third day. It now has 121 depositors with total deposits of \$42.10.

The second day at the Knickerbocker School 29 new accounts were opened and deposits were \$19.40. Total depositors 96, total deposits, \$42.60.

One of the depositors at the Englewood High School Savings Bank has "graduated" from the School Bank and has opened an account amounting to \$5 with the depository for this school, the First National Bank of Englewood. A total of 75 accounts have been opened at this School Bank, with deposits amounting to \$28.45.

Eighteen applications to install School Savings Banks in as many different Chicago schools have been received. Eight of these have been installed and ten more will be established either this week or week after next. None will be installed next week because of vacation in the Chicago schools.

E. C. Hart, Vice-President of the Mid-City Trust & Savings Bank, this week established a bank at the Goodrich School with 66 accounts and \$12.95 deposits. The Mid-City Trust & Savings Bank was selected by the principal of this school as the depository for the School Savings Bank. Mr. Hart is to install one in the Scammon School at Morgan and Monroe Streets, in the near future.

J. F. Conlan of the People's Stock Yard State Bank, also established a School Bank at the Hamline School this week with 46 accounts and \$6.70 deposits. The principal of this school chose the People's Stock Yards State Bank as the depository. Mr. Conlan will soon establish a bank in the Seward School, 46th Street and Hermitage Avenue, and still another one at the Hedges School, 48th Street and Winchester Avenue.

Joseph R. Noel, President of North West State Bank, installed two school banks this last week. One of those installed was at the Cornell School with 23 accounts and \$3.15 deposits, and the other was at the Hancock School with 33 accounts and \$3.35 deposits. The depository chosen by the principal of the former school was the Cottage Grove Bank, and in the other case the Stockmen's Trust & Savings Bank was selected.

A. K. Brown, President of the Kenwood Trust & Savings Bank, is expected to install a School Bank at the Colman School, 47th and Dearborn Streets, and E. W. Stansbury, Cashier of the Englewood State Bank, at the Lewis-Champlin School, 62d and Princeton Avenue.

A number of bankers have already witnessed installations of these banks and are now prepared to establish similar ones in their own local schools. Other Chicago bankers are invited to communicate with any of the gentlemen named in this article with a view of learning when and where they can most conveniently witness one of these installations. It is considered inadvisable to establish any banks this spring after May 10th, since the schools will close for the year in June.

Children seize upon the idea with avidity and take great pride in having a bank all their own. Those who are chosen to act as officers or clerks feel very much honored over their appointment. They perform practically all the work, but they are under the supervision of a teacher of the school who is known as the treasurer of the School Savings Bank. He or she controls the funds which are deposited in one lump sum in the local regular bank.

May 21, 1914.

PRACTICAL CO-OPERATION IN ARKANSAS.

Resolution Proposed by Sam. W. Reyburn and Chas. McKee Adopted by Arkansas Bankers' Association, April 15, 1914.

WHEREAS, The Savings Bank Section of the American Bankers Association has undertaken a campaign of education in thrift and has appointed an able committee for its encouragement and the establishment of a systematic method of teaching thrift throughout the United States; and

WHEREAS, The American Society for Thrift

has been organized and means raised to promote the management; and

WHEREAS, Both of these bodies have called upon the Press, the Banks, the Schools, the Churches, the Charities, the Commerce and Industries to aid in the propagation of the ideas of thrift; and

WHEREAS, We realize the need of our co-operation and the co-operation of every public-spirited body and individual to make this work effective;

NOW, THEREFORE, Be it resolved that this association shall appoint a committee of eight members to be known as the "Committee on Savings and Thrift"; and that it shall be the duty of said committee to enter into an active and careful study of the present conditions in our State in regard to this subject and follow the work of those business, philanthropic and educational organizations which are seeking higher standards of thrift and efficiency, and to co-operate with them in all of such work that seems practical in our State or its general sections, calling upon the Press Associations, the School Associations and all other State-wide bodies to appoint committees for a like purpose.

That said committee shall through the secretary of the association from time to time report the results of this work and its conclusions to the members of this association.

That the president shall be authorized to appoint said committee, two members for one year, two members for two years, two members for three years, and two members for four years, and that hereafter each year two members shall be appointed by the president of the association, each to serve for a term of four years; that three members of said committee shall constitute a quorum; that two members of same may be appointed from the six groups other than group No. 5, as nearly as is practicable to secure members who are in sympathy with the movement; that the secretary of the association be made secretary of the committee. And be it further resolved that the sum of one hundred dollars be appropriated for the use of said committee out of any funds in the treasury of the association.

POSTAL SAVINGS LEGISLATION.

A NOTHER bill, looking toward removing an injustice in the Federal Reserve Act as passed, was introduced in the House of Representatives on May 20th by Mr. Mondell. This bill is known as H. R. No. 16,710 and is identical with Senate bill No. 4,503, which would amend the Federal Reserve Act by permitting deposits of postal savings by the Government in banks other than members of the Federal Reserve Association.

These bills have been referred to the House and Senate Committees on Banking and Currency, respectively, and those interested should lose no time in communicating with the members of said committees and with Senators and Representatives generally.

If these bills are not passed, every non-member bank will be obliged to surrender all postal savings now on deposit with it by the Government. This in itself in some instances might not be a hardship, although in many small institutions, which find it inexpedient to join the Federal Reserve Association, it will be a serious matter. However, there will be another result which will also tend to handicap such banks. When the Government demands its deposits it of course will surrender the bonds required as security from all banks qualifying as depositories. Some of these banks have considerable money tied up in these bonds which may not prove readily salable at the price at which they were bought, and hence besides being deprived of deposits, such banks will find themselves further embarrassed by having a portion of their money tied up in non-liquid and unprofitable investments.

House bill No. 7,967, which was amended in the Senate Committee on Post Offices and Post Roads by limiting deposits in Postal Savings Banks to \$2,000, while permitting interest to be paid up to \$1,000, at this writing is still under discussion in the Senate.

CLEARING HOUSE SECTION

PRESIDENT:
JOHN K. OTTLEY, Vice-President Fourth National Bank,
Atlanta, Ga.

OFFICERS, 1913-1914.

CHAIRMAN EXECUTIVE COMMITTEE:
J. D. AYRES, Vice-President The Bank of Pittsburgh, N. A.,
Pittsburgh, Pa.

VICE-PRESIDENT:
A. O. WILSON, Vice-President State National Bank, St.
Louis, Mo.

SECRETARY:
O. HOWARD WOLFE, 5 Nassau Street, New York City.

NON-MEMBER CHECKS.

AT the spring meeting of the Executive Committee of the Clearing House Section, the collection of country checks was discussed at some length. The possible effect of the new system of check collection to be inaugurated under the Federal Reserve Act was considered from every viewpoint. As a result of this discussion, it was decided that it would be well to recommend to all our members, especially those clearing houses in the reserve or other collection centres, that they should give serious attention at this time to the question of collecting checks through the clearing house.

The letters sent out have produced replies that divide themselves into two groups; those associations which promise to give the subject the attention it deserves and ask for recommendations or suggestions, and the other group which contends that no action should be taken at this time, or at least until it is definitely known what the Federal reserve banks propose to do.

To those associations which seem to think it would be better to adopt a "do nothing" policy, we cannot refrain from remarking that it is precisely this attitude that has brought forth criticism on the part of the business public generally, and has resulted in the matter being taken out of the hands of the banks and put into the hands of legislative bodies.

He would be a rash banker who would undertake to support the theory that the organization of clearing houses in cities to collect city checks is wrong. Yet it is equally absurd to argue that the individual method of collecting checks on country banks is better than the clearing house method.

There are three variations of the plan of collecting country checks through the clearing house in operation in different parts of this country. Each of them has been found to be a pronounced success; in fact there has never been any difference of opinion on that score. After the Federal reserve banks are in operation, the old method of collecting checks through individual arrangements will certainly suffer by comparison with the more scientific method which will be used by the Federal reserve banks.

Checks on non-members should be collected through the clearing house, and there is no reason why there should be any delay in inaugurating such a system. A letter received from one clearing house in answer to our communication, referred to above, states that this association did not think it wise "to make any radical changes" in the collection of checks at the present time. Why do so many banks entertain the idea that to adopt the clearing house method of collection involves any great effort or outlay of time, material or money, or regard the "country clearing house" as a radical experiment? There is scarcely a city in the country that could not inaugurate a country department in its clearing house upon a week's notice. It is a noteworthy fact that the three most important cities in the country, from the viewpoint of the country clearing house,—Boston, Kansas City and Atlanta,—were all designated as proper locations for Federal reserve banks. We venture the assertion that the financial importance of all three of

these cities is largely due to the fact that they have built up a sound business and have been able to hold it on account of the fact that they have for a long time employed the best method for the collection of checks.

BOOK OF FORMS FOR NATIONAL AND STATE BANKS.

THERE are general principles involved in bank accounting which may be said to be uniform, regardless of the size or location of the institution. An efficient accounting system includes such elements as accuracy, permanency, and economy of time and labor. Needed information should be available with minimum amount of difficulty. Records should be self-checking wherever possible and there should be no unnecessary duplication of work. Fullest possible use should be made of adding machines, and other labor-saving devices, such as carbon systems, and changes in the color of both ink and stationery. While these may be set down as general principles, common to all well-regulated institutions, the fact remains that no two banks find it convenient to use precisely identical accounting forms. The volume of business handled, the location of the bank, the precise nature of its relations with its customers and depositors, local business habits and many other things enter into the equation.

It is, therefore, impossible to provide a complete set of forms in book form, applicable to the needs of any bank. Such a book would need to contain at least a thousand different sets of records. The next best thing is to get together a collection of forms that illustrate the underlying principles in all bank accounting and from these forms a bank may adopt styles and systems that will fit in with its particular requirements. This is the nature and purpose of the Book of Forms for National and State Banks, which can be secured by members of this Association at the original cost of \$5 per copy. The book contains more than 300 forms together with descriptive text where necessary. Holders of the book will be furnished with additional forms, free of charge, as changes in bank law or custom may require. Address the Clearing House Section for further information.

THE NUMERICAL SYSTEM AND THE CIPHER CODE.

SOME of our members have asked us if it is necessary to code bank names, using the transit numbers when sending cipher telegrams. This is left entirely to the judgment of the bank using the code. Many bank names are so long that a saving of three or more words is often possible when the name, town, and State can all be expressed in two or, at times, three code words. The latest edition of the Key to the Numerical System (September 1, 1913) can be secured at the offices of the American Bankers' Association at the price of \$1.50 per copy. The latest supplement will be furnished free, on request.

STATE SECRETARIES SECTION



OFFICERS, 1913-1914.

PRESIDENT:
WILLIAM J. HENRY, Secretary New York State Bankers' Association, New York City.

FIRST VICE-PRESIDENT:
W. W. BOWMAN, Secretary Kansas Bankers' Association, Topeka.

SECOND VICE-PRESIDENT:
T. H. DICKSON, Secretary Mississippi Bankers' Association, Jackson.

SECRETARY-TREASURER:
P. W. HALL, Secretary Iowa Bankers' Association, Des Moines.

CONVENTIONS TO BE HELD IN 1914.

June	4, 5. Iowa	Clinton
"	4-6. Washington	Walla Walla
"	8-10. Idaho	Twin Falls
"	9, 10. Connecticut, Eastern Point, New London, Conn.	
"	10-11. Minnesota	Minneapolis
"	11, 12. New York, Eastern Point, New London, Conn.	
"	12, 13. Utah	Price
"	15, 16. Oregon	Medford
"	18, 19. Maryland	Cape May, N. J.
"	18, 20. Virginia	Old Point Comfort
"	19, 20. Colorado	Colorado Springs
"	19, 20. Ohio	Cedar Point
"	23, 24. West Virginia	Martinsburg
"	23-25. South Carolina	Isle of Palms
"	23-27. Michigan. On Board Steamer to Alpena	
"	24, 25. South Dakota	Aberdeen
"	26, 27. Pennsylvania	Bedford Springs
"	26, 27. Massachusetts	New Castle, N. H.
"	26, 27. New England States. Portsmouth, N. H.	
July	1, 2. North Dakota	Williston
"	15, 16. Wisconsin	Milwaukee
Aug.	12, 13. Wyoming	Thermopolis
"	20-22. Montana	Butte
Sept.	1. Illinois	Chicago
"	22-24. Am. Inst. of Banking	Dallas, Texas
"	23, 24. Kentucky	Lexington
"	—. Indiana	Indianapolis
Oct.	12-16. Amer. Bankers Assn.	Richmond, Va.
Nov.	6, 7. Arizona	Castle Hot Springs

CONVENTIONS HELD IN MAY.

MISSISSIPPI:

THE Mississippi Bankers' Association held its twenty-sixth annual convention at Vicksburg, May 4th, 5th and 6th, headquarters being at the Elks' Club.

The delegates were welcomed on behalf of the local bankers by B. W. Griffith, President of the Vicksburg Clearing House, to which Walker Broach, Vice-President of the First National Bank, Meridian, responded.

President J. F. Flournoy, Jr., Cashier of the First National Bank, Canton, in his annual address advocated increased interest in agriculture on the part of the bankers of the State and emphasized the necessity for greater development of the resources of the State.

The report of Secretary T. H. Dickson showed a membership on May 1st of 248; 62 new members having joined during the year. This gain in membership was especially gratifying in view of the fact that the amount of the dues had been increased. The report of Treasurer E. P. Peacock, Cashier of the Bank of Clarksdale, showed a substantial balance on hand.

The addresses on the first day were divided into two classes—agricultural and banking: W. B. Harrison, Secretary of the Oklahoma Bankers' Association, Bradner J. Moore, U. S. Department of Agriculture, and M. A. Taylor, Vice-President of the National Stock Yards National Bank, East St. Louis,

speaking on the first-named topic, and Joseph A. McCord, Vice-President of the Third National Bank, Atlanta, speaking on the second-named topic. At the second day's session the subject of the addresses were State Banking Laws—E. F. Anderson, Chairman of the Board of Bank Examiners and Oscar Newton, President of the Jackson National Bank, being the speakers.

Mr. Harrison covered the agricultural question and Mr. Moore touched upon a new element in the fertilizer situation with our farmers—that of free limestone to be crushed by convict labor and distributed at cost in order to build up the lacking calcareous elements in some of the Mississippi soils. Mr. Traylor dealt with the question of the rapidly developing live-stock industry, with the problem of cattle tick eradication, and the economic waste of permitting this insect to exist within the State. Mr. McCord's address went fully into the prospective workings of the Federal Reserve System with particular reference to the country bank.

The full Board of Bank Examiners was present at the meeting and they were called upon to express their views as to constructions of various sections in the bill which is just about to be put into operation.

Resolutions were adopted by the convention inviting hearty co-operation of bankers in the public movement to provide funds for making a State exhibit at the Panama Exposition, and the endorsement of One Cent Letter Postage.

The entertainment features included motor trips through the National Military Park, a golf tournament and afternoon tea at the Country Club on the first day. A boat trip on the Mississippi River, finals of the golf tournament at the Country Club, and a dinner dance at the Hotel Carroll. Operators of the Majestic Film Company followed the motor trip and made several reels of pictures.

The officers elected for 1914-15 are President—Henry Hart, President of the Bank of Winona, Winona; Vice-President—S. J. High, Cashier of the Peoples Bank & Trust Company, Tupelo; Secretary—T. H. Dickson, Vicksburg (re-elected); Treasurer—E. P. Peacock, Cashier of the Bank of Clarksdale, Clarksdale (re-elected).

At a meeting of the Mississippi members of the American Bankers Association the following were elected: Member Executive Council—Walker Broach, Vice-President of the First National Bank, Meridian; Vice-President for Mississippi—W. P. Kretschmar, President of the Commercial Savings Bank, Greenville; Member Nominating Committee—J. F. Flournoy, Jr., Cashier of the First National Bank, Canton.

The 1915 convention will be held at Jackson.

TEXAS:

THE thirtieth annual convention of the Texas Bankers' Association was held at Fort Worth May 5th, 6th and 7th, at which there was an unusually large attendance, every section of the State being well represented and many bankers from other parts of the country being present.

President Nathan Adams, Cashier of the American Exchange National Bank, Dallas, in his annual address pointed out the many benefits which would accrue to bankers through the operation of the Federal Reserve Act. He said that the bankers and business men should give their sincere and loyal support to the men selected to direct the operation of the new system with a view to giving it a thorough trial and using every effort to make it a practical success. Mr. Adams advocated the formation of district bankers associations, and improved methods of handling cotton crops.

Secretary J. W. Hoopes, Vice-President and Cashier of the City National Bank, Galveston, reported a membership of 1388—an increase of 51 over last year; there still being 200 non-member banks in the State. Treasurer T. B. Benson, Cashier of the Bartlett National Bank, Bartlett, submitted his report showing total receipts for the year of \$23,196.67 and disbursements \$18,210.98, leaving a balance on hand on May 5th of \$4,985.69.

The addresses covered different phases of the banking business. Tucker Royall, President of the Royall National Bank, Palestine, in talking on "Conservative Banking," said that States may promulgate new banking laws every day in the year, but that there were no new laws of finance, the principles of which are as immutable as the laws of nature. "The Banker as an Educator" was the title of an address by Fred W. Ellsworth, Manager of the Publicity Department of the Guaranty Trust Company of New York. Mr. Ellsworth described the work of the American Institute of Banking, and particularly the work carried on among the great army of banking men who are employed in the smaller cities and towns where, because of lack of numbers, chapters of the Institute are not practicable. R. R. Waldrop, President of the First State Bank, Crowell, gave some valuable advice to young men who aspire to the banking profession. "How Oklahoma Bankers Promoted Diversified Farming," was explained by W. E. Harrison, Secretary of the Oklahoma Bankers' Association. Mr. Harrison's address was punctuated with many forceful and amusing points. Col. Fred W. Fleming, Vice-President of the Kansas City Life Insurance Company, discussed the importance of life insurance as a credit factor, and said that the relation of insurance to bank credits had become a live subject in commercial banking. Clarence Ousley, of Fort Worth, talked on the subject of "Rural Credits." Robert J. Eckhardt, President of the First State Bank & Trust Company of Taylor, gave some valuable suggestions on the proper handling of cotton. He said that King Cotton, the most profitable crop of the south, especially Texas, received the least care and was handled with a greater unnecessary loss through damage caused by negligence and the lack of proper protection, than any other product. Mr. Eckhardt's address was followed by a general discussion led by Treasurer Benson. Other speakers on the program were Oscar Wells, President of the First National Bank, Houston, who spoke on "A New Order of Banking;" Dr. R. S. Hyer, President of the Southern Methodist University, Dallas, whose topic was "Alchemy;" W. G. Edens, of the Central Trust Company, Chicago, on "Co-operation, the Key to Success in Road Improvement;" Andrew A. Benton, of Marwick, Mitchell, Peat & Company, New York, on "The Accounting System of the Federal Reserve Banks with Member Banks."

The entertainment furnished by the local bankers was of a most enjoyable character.

The officers elected for the ensuing year are as follows: President—J. A. Pondrom, Vice-President of the Texarkana National Bank, Texarkana; Vice-Presidents—Charles H. Stroeck, Beaumont; Karl H. Word, Mathis; Robert J. Eckhardt, Taylor; George H. McGhee, Waco; W. Z. Hayes, Mount Pleasant; W. C. Dew, Goldthwaite; R. H. Collier, Amarillo; Secretary—J. W. Hoopes, Vice-President & Cashier of the City National Bank, Galveston (re-elected); Treasurer—George D. Campbell, Vice-President of the State Bank & Trust Company, San Antonio; Assistant Secretary—Lydia Littman, Galveston (re-elected).

NEW JERSEY:

HERE was an attendance of over 600 members and guests at the eleventh annual convention of the New Jersey Bankers' Association held at Atlantic City, May 8th and 9th. The assemblage was welcomed by Harry Bacharach, President of the Equitable Trust Company, to which President Bloomfield H. Minch, Vice-President of the Bridgeton National Bank, responded.

The President in his annual address criticised the State administration for its failure to consider objections made by the New Jersey bankers to legislation by the State. He said that the present form of bank stock tax offered little encouragement to banks just starting to build up a surplus.

In the addresses to the convention W. M. Van Deusen, Cashier of the National Newark Banking Company, and member of the Executive Council of the American Bankers Association, advocated a campaign to obtain New Jersey representation on the new Federal Reserve Commission and also advised the bankers to keep in close touch with legislation affecting their interests.

Banking Commissioner George M. La Monte said that while he was cognizant of the wide-spread dissatisfaction of New Jersey Bankers in the placing of the State in the Philadelphia Reserve Bank district; and also as to certain laws thought to be detrimental to the banking interests, advised the delegates when discussing these serious problems, to do so with an open mind in regard to every question which would come up for their deliberation, and not to allow any prejudices to interfere with their good judgment in coming to their final conclusions.

The Convention unanimously adopted a resolution calling upon the Legislative Committee of the Association to protest to the Federal Reserve Board against the Organization Committee's apportionment making Northern New Jersey a part of the Philadelphia reserve district.

A resolution was also adopted that a special committee of one member from each county be appointed by the President of the Association to submit the subject of branch banking to the members of the Association and to secure a vote in writing from the members on the same; the result of this vote to be reported to the Executive Committee and that committee to present to the legislature such proposed legislation as would carry into effect the desires of a majority of the members.

The reports of the various committees covered the work of the different departments during the year. The Secretary—William J. Field, Secretary and Treasurer of the Commercial Trust Company, Jersey City, reported that the Association had made good progress along different lines of work in the interests of its membership and the bankers of the State generally; the membership now being 320, leaving 33 non-member banks in the State.

B. F. Harris, Chairman of the Agricultural Commission of the American Bankers Association, delivered an address on the "Banker-Farmer." He believed that in a large degree the life and prosperity not alone of the State but of the Nation depended upon successful and prosperous agriculture. "To Prevent Crimes Against Banks," was the subject of an address by William J. Burns, in which he made an eloquent plea for the co-operation of bankers in prosecuting those who prey upon banks. In the absence of Oliver J. Sands, President of the American National Bank, Richmond, Va., and Chairman of the Insurance Committee of the American Bankers Association, B. A. Ruffin, Secretary of the Committee, gave a talk on "Fidelity Insurance." Mr. Ruffin said that it was an actual necessity to adopt the policy recommended by the American Bankers Association in order to insure absolute protection against dishonesty. "The Status of Commercial Paper Under the Federal Reserve Act," was the title of an address by H. Parker Willis, of the "Journal of Commerce," New York City. Mr. Willis prophesied that a differential rate of discount would make single name paper a half of one per cent. higher than double name paper. Col. Willard C. Fisk, of Jersey

City, Counsel of the Association, talked on "Bank Stock and Inheritance Taxes."

Notwithstanding that the business sessions were well attended and of an unusually interesting character, the entertainment provided by the local bankers was so arranged as to enable all those present to participate in the festivities. The annual banquet was of an informal character and President Minch acted as toastmaster. Governor James F. Fielder, of New Jersey, Martin W. Littleton, of New York City, and B. A. Ruffin, of Virginia, addressed the banqueters. A Thé Dansant was held in the Music Room of the hotel each evening from nine to twelve o'clock and on Saturday afternoon.

Atlantic City was again chosen for next year's convention.

The officers elected for the ensuing year are as follows: President—L. Snowden Haines, Cashier of the Mechanics National Bank, Burlington; Vice-President—Edward S. Pierson, President of the Greenville Banking & Trust Company, Jersey City; Secretary—William J. Field, Secretary and Treasurer of the Commercial Trust Company, Jersey City (re-elected); Treasurer—John D. Everitt, President of the Orange National Bank, Orange.

On the adjournment of the convention the New Jersey members of the American Bankers Association held a meeting at which the following elections were made for office in the National Association: Vice-President for New Jersey—Henry C. Winsor, President of the Asbury Park and Ocean Grove Bank, Asbury Park; Member of the Nominating Committee—William J. Field, Secretary and Treasurer of the Commercial Trust Company, Jersey City.

GEORGIA:

THE Georgia Bankers' Association held its twenty-third annual convention May 7th, 8th and 9th at Atlanta, the President of the Association, L. P. Hillyer, Vice-President of the American National Bank, Macon, presiding.

A cordial welcome was extended to the delegates and their friends by Governor John M. Slaton on behalf of the bankers of Atlanta, to which Captain F. D. Bloodworth, Vice-President of the National Bank of Savannah, responded.

President Hillyer in his annual address predicted that in five years a large majority of the twenty-odd thousand State banks of the country would apply for membership in the Federal Reserve system. He said he took an optimistic view of the future; the tariff is settled and the country is gradually adjusting itself to the new law and money is easy in all financial centers. Growing crops are in fine condition and a profitable fruit crop is expected. War with Mexico would stimulate business rather than hinder it. In closing his address Mr. Hillyer thanked the members for their kindness and co-operation during the twenty-two years he had served the Association—twenty of which were as its Secretary.

The annual report of Secretary Haynes McFadden, of Atlanta, was very gratifying, the membership being the largest in the history of the Association—627; an increase of 15 during the year. Mr. McFadden stated that while the membership is the largest in the Southeast, the percentage of non-members was not the lowest and urged the active co-operation of the members in increasing the membership. There are five well-organized groups; each group having held most successful and largely attended meetings during the year. He gave a synopsis of the work done by the different committees and the attorney of the Association. The report of Treasurer E. C. Smith, Cashier of the Griffin Banking Company, Griffin, manifested the fact that the Association was on a sound financial basis.

The program of addresses was as follows: "Progress of the National Association," by Joseph A. McCord, Vice-President of the Third National Bank, Atlanta, and Member of the Currency Commission of the American Bankers Association, and Eugene W. Stetson, President of the Citizens National Bank, Macon, and Member of the Executive Council of the American Bankers Association. "The Re-

lation of Country Banks to Their City Correspondents Under the Federal Reserve Act" by Charles S. Caldwell, President of the Corn Exchange National Bank, Philadelphia. "Beef, Bread, Bacon and Banking," by Melvin A. Traylor, Vice-President of the National Stock Yards National Bank, National Stock Yards, Ill. "Endorsement of County and Municipal Bonds by the State," by William J. Harris, Director of the Census, Washington, D. C.

The entertainment features provided by the clearing house banks of Atlanta included a luncheon at the Piedmont Driving Club and a baseball game between Atlanta and Chattanooga at Ponce de Leon Park. A banquet was tendered by the members of the Georgia Bankers' Association at the Capital City Club and several theatre parties were given.

The officers for the ensuing year are as follows: President—L. G. Council, President of the Planters Bank, Americus; Vice-Presidents—F. S. Etheridge, Jackson; Charles B. Lewis, Macon; Rufus H. Brown, Augusta; Joseph W. Heffernan, Savannah; O. B. Bishop, Adairsville; Secretary—Haynes McFadden, Atlanta (re-elected); Treasurer—E. C. Smith, Vice-President and Cashier of the Griffin Banking Company, Griffin.

At a meeting of the Georgia members of the American Bankers Association the following were elected: Vice-President for Georgia, Z. H. Clark, Vice-President and Cashier of the Moultrie Banking Company, Moultrie; Member of the Nominating Committee—C. H. Lewis; Alternate—F. T. Hardwick, President C. L. Hardwick & Company, Dalton.

ALABAMA:

THE twenty-second annual convention of the Alabama Bankers Association was held at Decatur May 12th, 13th and 14th. Addresses of welcome were made by Judge William E. Skeggs, Vice-President of the Morgan County National Bank, on behalf of the local bankers, and S. S. Broadus, President of the Tennessee Valley Bank, Decatur, on behalf of the Chamber of Commerce, to which Byrd G. Farmer, director of the First National Bank of Dothan, responded.

President Michael Cody, President of the Union Bank & Trust Company, Montgomery, in his annual address, called attention to the fact that there had been no failures of member banks in the last two years. He said that in the past there had been a somewhat indiscriminate organization of banks created by ill-advised investors which proved a menace to the financial welfare of the community. It would be well for the legislative committee to seriously consider securing for the State banking board increased business discretion in the granting of charters. Mr. Cody said that agriculture constituted the chief basis of the prosperity of Alabama and therefore the active interest of every profession and of every branch of commerce should be enlisted in its progress.

Following Mr. Cody's address, Secretary-Treasurer McLane Tilton, Jr., President of the First National Bank, Pell City, submitted his report for the fiscal year, and this, together with the reports of the various committees, showed that the Association had been active in promoting the welfare of the banking interests in the State.

State Superintendent of Banks, A. E. Walker, gave an interesting address and expressed the opinion that the banks of the State should await further developments before availing themselves of membership in the Federal Reserve System. The additional supervision required by the Federal Reserve Act would cost the banks of Alabama twice as much as is now levied on State banks by the banking law of the State. There was a possibility of confusion arising between State and National laws that would greatly harass and embarrass banks operating under both statutes. He said he did not want to be understood as criticising this great law as in his opinion no law had ever been written upon the statute books of the United States destined to work a greater revolution in the future work of this nation. It would in a short time elevate this country to a height of power and influence in the world of business and finance never

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before equalled by any nation. It would make her a dominating influence in all the markets of the world and the arbiter of the destiny of the nations.

Addresses were also made by J. L. Cross, President of the Birmingham Chapter of the American Institute of Banking; Clarendon Davis, President of the Huntsville Bank & Trust Company; Breckenridge Jones, President of the Mississippi Valley Trust Company, St. Louis, Mo.; Sol Wexler, President of the Whitney-Central National Bank, New Orleans, and M. J. M. Smith, of New York.

The entertainment features included a boat trip, a dance, a barbecue, and a number of receptions. At the close of the barbecue the Hon. Cyrus W. Ashcraft delivered an address on the power, possibility and development of the Tennessee River.

The new officers of the Association will be published in next month's issue.

NORTH CAROLINA:

THE eighteenth annual convention of the North Carolina Bankers Association was held at Raleigh, May 12th, 13th and 14th. Addresses of welcome were delivered by J. Bryan Grimes on behalf of the State, Mayor James I. Johnson on behalf of the city and E. B. Crow on behalf of the bankers of Raleigh.

Following the annual address of President George A. Holderness, President of the Farmers Banking & Trust Company, Tarboro, Secretary-Treasurer William A. Hunt, Cashier of the Citizens Bank, Henderson, made his report covering the work of the Association during the year which showed that the progress of the organization and the success attained were eminently satisfactory. The reports of the standing committees were also submitted and approved.

Col. John F. Bruton, President of the First National Bank and of the Wilson Trust & Savings Bank, Wilson, made an address in which he outlined the effect of the Federal Reserve Act on country banks, especially those operating under State charters. He said, "I am led to believe that by active co-operation in the installation of the new system the best possible service rather than fat dividends will assure to bank stockholders in the long run a more stable investment and better returns, and to their servant the bank officer, larger vision and a more vitalizing and a happier interest in his fellow men." The Comptroller of the Currency and member of the Federal Reserve Board—John Skelton Williams—was also a speaker and talked on the Federal Reserve Act. "Old Socks vs. Bank Vaults," was the title of an address by Charles W. Tillett, of Charlotte.

A baseball game between Winston-Salem and Raleigh, a barbecue at Bloomsbury Park, a formal reception at the Country Club, and other social functions were given during the convention period.

The officers elected for the current year are as follows: President—Thomas E. Cooper, President of the American National Bank, Wilmington; Vice-Presidents—J. L. Armfield, Thomasville; W. S. Blakney, Monroe; W. B. Drake, Jr., Raleigh; Secretary-Treasurer—William A. Hunt, Cashier of the Citizens Bank, Henderson (re-elected).

At meeting of the North Carolina members of the American Bankers Association, W. C. Wilkinson, Cashier of the Merchants & Farmers National Bank, Charlotte, was elected a member of the Executive Council to succeed J. Elwood Cox, President of the Commercial National Bank, High Point, whose term of office expires this year; Leake S. Covington, Cashier of the Farmers Bank, Rockingham, Vice-President for North Carolina to succeed J. C. Braswell President of the Planters Bank, Rocky Mount; Mr. Braswell being elected to serve on the Nominating Committee.

OKLAHOMA:

THE eighteenth annual convention of the Oklahoma Bankers' Association convened in Oklahoma City, May 15th, headquarters being at the Lee-Huckins Hotel. The registration of the delegates was the largest in the history of the Association.

President W. S. Guthrie, President of the Farmers National Bank, Oklahoma City, in his annual address spoke of the activities of the Association in all lines of work looking to the best interests of the State especially toward improved agriculture, and he advocated conservation of the fertility of the soil. Mr. Guthrie paid a glowing tribute to the ability of W. B. Harrison, Secretary of the Association. He said, "Our Secretary's ability and impartial service to the Association is recognized by all. His reputation as a thinker and orator has extended far beyond the borders of our own circle. He commanded attention at Boston and is now being invited to speak at several bankers' conventions throughout the country, and wherever he may deliver an address we may be sure that he will do credit to this Association." The list of speakers included Arthur Reynolds, President of the Des Moines National Bank, Des Moines, Iowa, and President of the American Bankers Association; B. F. Harris, Vice-President of the First National Bank, Champaign, Ill., and Chairman of the Agricultural Commission of the American Bankers Association; W. G. Edens, Assistant Secretary of the Central Trust Company of Illinois, Chicago; J. E. Jones, Proprietor of Jones' Dairy Farm, Nowata, Okla., and others.

Secretary W. B. Harrison, of Oklahoma City, Treasurer S. Jackson, President of the Cheyenne State Bank, the various committees, and groups, submitted reports covering all phases of banking, agricultural and other pursuits; which reports were unanimously approved by the convention.

The principal event of the entertainment program was a grand ball at the Auditorium, and many other features were provided for the pleasure of the visiting bankers. The ladies were in evidence in large numbers and special attention was given to their entertainment.

The Association elected the following officers for the ensuing year: President—H. M. Spalding, President of the Peoples Bank, North Enid; First Vice-President—T. H. Dwyer, President of the Chickasha National Bank, Chickasha; Second Vice-President—H. A. McCauley, President of the Sapulpa State Bank, Sapulpa; Secretary—W. B. Harrison, Oklahoma City (re-elected); Treasurer—J. W. Teter, President First National Bank, Bristow.

The Oklahoma members of the American Bankers Association held a meeting and elected W. S. Guthrie, the retiring president of the Association, as member of the Executive Council for three years to succeed L. A. Wilson, President of the First National Bank, El Reno, whose term expires this year; O. J. Fleming, President of the Enid National Bank, Enid, Vice-President for Oklahoma, and G. E. Dowis, Cashier of the First National Bank, Blackwell, member of the Nominating Committee.

MISSOURI:

THE twenty-fourth annual convention of the Missouri Bankers' Association was held in the City of St. Louis, May 18th, 19th, and 20th.

The convention was a success in every particular, the attendance unusually large, there being a registration of over 1,500, including a liberal attendance of ladies. The St. Louis bankers are noted for their hospitality, which the American Bankers Association has enjoyed at two annual conventions. The entertainment provided on this occasion was liberal and varied, and the guests present had a most enjoyable time.

The convention sessions were held in the Olympic Theatre, the Missouri bankers filling the auditorium at each session. The convention was presided over by President J. B. Jennings, who made the usual President's address. This was followed by an Address of Welcome in behalf of the St. Louis Clearing House Association by Festus J. Wade, President. The reports of the officers and committees were full and complete, showing the Association to be in most excellent condition and full of activity.

Addresses were made during the sessions by J. C. Swift, of Kansas City, on "Live Stock and Live People"; W. T. Abbott, of Chicago, on "The Bankers"

Follies of 1913"; "Why State Banks and Trust Companies Should Join the Federal Reserve Banking System," by Festus J. Wade, of St. Louis; "Problems and Progress," by Hon. J. Adam Bede, of Pine City, Minn.; "The Proposed Federal Anti-Trust Legislation," by Dr. Charles R. Van Hise, President of the University of Wisconsin. Greetings from the American Bankers Association by Frederick E. Farnsworth, General Secretary.

The entertainment provided by the St. Louis banks and trust companies was a Sunset Fete at Sunset Inn, with an automobile ride to and from the inn; a special concert by the St. Louis Symphony Orchestra, assisted by the celebrated violinist, Casanova; baseball, National League.

The officers of the Association elected at this convention were as follows:

President, Richard S. Hawes, Vice-President Third National Bank St. Louis; Vice-President, W. C. Gordon, of Marshall; Treasurer, Thornton Cooke, of Kansas City; Secretary, W. F. Keyser, of Sedalia.

The members of the American Bankers Association attending this convention elected the following officers:

Member of the Executive Council, H. B. McDaniel, President of the Union National Bank of Springfield; Vice-President for Missouri, C. G. Lang, Kahoka Savings Bank, Kahoka; General Nominating Committee, W. S. Wells, President Wells Banking Company, Platte City.

This meeting of the American Bankers Association, in convention assembled, unanimously endorsed the Money Orders of the American Bankers Association issued by the American Surety Company of New York.

KANSAS:

WICHITA, Kansas, entertained the twenty-seventh annual convention of the Kansas Bankers' Association on Thursday and Friday, May 21st and 22d.

The sessions were held in the Consistory of the magnificent new Masonic Temple, one of the finest buildings of the kind in the United States.

Kansas always has large and interesting conventions, and there is no State in the Union where the bankers are more closely attentive to business than in Kansas and where they turn out in such large numbers to its business sessions, regardless of entertainment or attractive features outside. There was a registration of over 1,300, including a large number of ladies.

Hon. W. J. Bailey, formerly Governor of Kansas, presided and delivered a most excellent President's Address. The reports of the other officers and committees were printed for distribution and not read. The addresses delivered were of a most excellent and unusual character and by their number tested the staying qualities of Kansas bankers. Among the speakers were the following:

Prof. Thomas Conway, Jr., Wharton School of Finance, Philadelphia; Hon. Charles M. Sawyer, Bank Commissioner of Kansas; General Secretary Farnsworth of the American Bankers Association; Hon. P. W. Goebel, of Kansas City, Kan.; Hon. W. A. Johnston, of the Supreme Court of Kansas; Hon. Charles A. Korbley, of Indiana, Member of the Banking and Currency Committee of Congress; Mr. A. A. Hyde, of Wichita; Mr. Howard H. Gross, of Chicago; Mr. Albert E. Roberts, of New York City; Mr. S. M. Jordan, of Sedalia, Mo.; Col. Fred Fleming, of Kansas City, Mo.

The Building and Loan Section of the Kansas Bankers' Association held its meetings on May 21st and 22d and were well attended and favored with good addresses. The ladies of the Association were entertained by the bankers of Wichita and the sessions wound up with a banquet on the evening of May 22d, in the Masonic Temple, at which there were present 1,100, including ladies.

The banquet was served by the ladies of the Eastern Star and was a pronounced success. Henry J. Allen, of Wichita, acted as toastmaster. Excellent music was furnished by an orchestra and by the

Lyric Glee Club. After the banquet, the first order of exercises was the presentation of a silver tea service to Secretary Bowman, who had just completed ten years as Secretary of the Kansas Bankers' Association. This presentation was made in a most happy manner by Governor Bailey and was a much deserved testimonial. Addresses were made by J. T. Bradley, of Kansas City, Mo.; John E. Wagner, of Larned, Kan.; Charles E. Lobdell, of Great Bend, Kan.; S. M. Jordan, of Sedalia, Mo.; Albert E. Roberts, one of the secretaries of the Y. M. C. A. in New York City, and General Secretary Farnsworth of the A. B. A.

The Association elected the following officers: President, E. E. Mullaney, of Hill City; Vice-President, C. E. Lobdell, of Great Bend; Treasurer, Fred Quincy, of Salina; Secretary, W. W. Bowman, of Topeka.

The members of the American Bankers Association present elected the following officers:

Executive Council, two years, W. E. Brown, Augusta; three years, W. H. Birks, Wellington; State Vice-President, L. H. Wulkuhler, of Leavenworth; Member Nominating Committee, E. R. Moses, Great Bend.

Wichita is one of the live and progressive cities of the State of Kansas. It is marked by a good civic government, fine streets, first-class public buildings and everything that goes to make a large and enterprising city. "Watch Wichita Win" is its slogan, and those who were present at its convention will testify that Wichita is winning.

CALIFORNIA:

THE California Bankers' Association held its Twentieth Annual Convention in the City of Oakland, May 27th, 28th and 29th.

The Hotel Oakland, which is one of the finest hotels on the Coast, was headquarters. There was a registration of 700. It was the largest convention in the history of the California Bankers' Association and, without doubt, also the most successful convention.

Oakland is an ideal city for a meeting of this kind and the bankers of Oakland furnished an entertainment which, in its scope and the handling of details, could not be surpassed. The chairman of the General Committee, Mr. Edson F. Adams, and the members of the Convention Committee were indefatigable in their efforts to provide for the visiting bankers.

Mr. L. P. Behrens, of Redwood City, presided over the deliberations of the convention as president, and delivered the usual President's Address, which was most excellent. The reports of the Secretary, Mr. Frederick H. Colburn, of San Francisco, and the Treasurer, Mr. William H. High, of San Francisco, indicated the Association to be in most prosperous condition, progressive and active. The usual address of welcome, the response to the address of welcome, the reports of groups and of the various committees were well received.

The Federal Reserve Act, which to-day is foremost in the minds of the bankers of the country, was discussed by F. L. Lipmann, James K. Lynch, Stoddard Jess and George W. Peltier.

Hon. E. D. Roberts, State Treasurer, gave a most excellent address on the transactions of the State Treasurer with the banks.

The other speakers, who talked on various subjects of interest to the bankers present, were Hon. Joseph J. Scott, Col. Harris Weinstock, Dr. Charles L. Tisdale, Mr. M. P. Lilienthal, S. J. McKnight, General Secretary Fred. E. Farnsworth, Mr. R. M. Welch, Hon. V. S. McClatchy and Prof. W. T. Clarke.

The hospitality of the city of Oakland was evidenced in the entertainment provided. The entertainment began with a smoker, tendered by the Oakland Commercial Club; a theatre party at the Orpheum, an automobile ride, a ball at the Hotel Oakland, and a day spent on San Francisco Bay, with a visit to the Panama Pacific Exposition Grounds. This visit was a surprise to the visitors, inasmuch as the buildings for the Exposition are practically completed and there is every evidence that the coming Exposition

will be the most complete and attractive of any of the various expositions which have been held in this country since 1876.

The officers elected by the California Bankers' Association were as follows: President, R. M. Welch, of San Francisco; Vice-President, Charles A. Smith, of Oakland; Secretary, F. H. Colburn, of San Francisco, who was unanimously re-elected; Treasurer, William H. High, of San Francisco, also unanimously re-elected.

The Association adopted numerous resolutions, among them a unanimous resolution endorsing Mr. James K. Lynch, of San Francisco, for Vice-President of the American Bankers Association.

The retiring President, L. P. Behrens, was presented with a loving cup.

At the meeting of the members of the American Bankers Association present at this Convention, the following were elected members of the Executive Council: L. P. Behrens, of Redwood City, for a one-year term; A. E. Edwards, of Pasadena, for a three-year term; Vice-President for State of California, H. S. Fletcher, of Watsonville; Member of Nominating Committee, F. J. Belcher, of San Diego; Vice-President for Trust Company Section for California, M. P. Lilenthal, of San Francisco.

On Friday night, May 29th, the bankers of San Francisco and others attending the convention, tendered a dinner at the Palace Hotel in honor of General Secretary Fred. E. Farnsworth. There was a large attendance and it was a most enjoyable affair.

The banquet was presided over by Mr. James K. Lynch, President of the San Francisco Clearing House Association. The speakers were: William J. McGee, Assistant Treasurer of the United States, San Francisco; R. M. Welch, President of the California Bankers' Association; Andrea Sbarboro, of San Francisco; Fred A. Crandall, of Chicago, and General Secretary Fred. E. Farnsworth.

This banquet was an evidence of the true hospitality and the welcoming spirit which is to be found on the Pacific Coast.

NEVADA:

THE Nevada Bankers' Association held its sixth annual convention at Reno on May 22d and 23d. The delegates were welcomed to the city by F. J. Shair, Mayor of Reno, to which J. Sheehan, Cashier of the First National Bank, Winnemucca, responded.

The annual address of President George H. Taylor, Assistant Cashier of the Washoe County Bank, Reno, covered the work of the Association during the year and matters pertaining to the banking interests of the State. The report of Secretary J. W. Davey, Assistant Secretary of the Reno Clearing House Association, showed that the Association had passed through a successful year, with an increase in membership and good results attained in all branches of Association work. The report of Treasurer W. R. Bracken, Vice-President of the First State Bank, Las Vegas, showed the finances of the Association to be in excellent condition.

The addresses covered the subjects of legislation, agriculture, the Federal Reserve Act, the industries of the State, and other kindred topics. A. E. Cheney, attorney, Reno, talked on "Uniform Legislation." B. D. Dean, Assistant Cashier of the Crocker National Bank, San Francisco, gave an account of some interesting features regarding the 1915 Exposition. J. E. Cosgriff, President of the Continental National Bank, Salt Lake City, and the First National Bank, Lovelock, outlined the future of wool growing in Nevada; and "University Extension Work in Agriculture" was the topic of an address by S. B. Doten, Director of the Agricultural Experiment Station of the University of Nevada. James K. Lynch, Vice-President of the First National Bank, San Francisco, talked on "The Federal Reserve Act." F. A. Crandall, Vice-President of the National City Bank, Chicago, told how personality in banking was an important factor in acquiring success. "Agricultural Credit" was the title of an address by Romanzo Adams, Professor of Economics, University of Nevada; and the present and

future of Nevada was discussed by J. M. Fulton, of the Southern Pacific Railroad Company.

On Saturday afternoon a special train conveyed the delegates and guests to Lake Tahoe to attend the annual banquet which was held at Tahoe Tavern.

The officers elected for the current year will be published in the next issue.

TENNESSEE:

THE Tennessee Bankers Association held its twenty-fourth annual convention at Chattanooga, May 28th and 29th. On the convention being called to order by President Fred T. Collins, Cashier of the Milan Banking Company, Milan, and an invocation by the Rev. W. F. Powell, of Chattanooga, the delegates were welcomed on behalf of the city by T. C. Thompson, Mayor, and on behalf of the local bankers by J. P. Hoskins, President of the Chattanooga Clearing House, to which H. H. Self, Cashier of the First National Bank, Dickson, made response.

President Collins then made his annual address and reports were submitted by Secretary F. M. Mayfield, of Nashville, and Treasurer B. H. Blalock, Cashier of the Security National Bank, Jackson. The reports of the various committees were also read and approved.

The list of speakers comprised many well-known men among the banking fraternity. H. A. Wheeler, Vice-President of the Union Trust Company, Chicago, who has been selected by President Wilson as a member of the Federal Reserve Board, made an address on "Bank Credits Under the Federal Reserve Act." George Woodruff, President of the First National Bank, Joliet, Ill., one of the foremost students of agricultural credits in this country, spoke on "The Proposed National Rural Credit Legislation." Thomas Conway, Jr., Ph.D., Professor of the University of Pennsylvania, and author of the well-known book, "The Operation of the New Bank Act," addressed the convention on "Probable Changes in the Assets of Member Banks Under the Reserve Act." T. R. Durham, of the Chattanooga Savings Bank, and winner of the \$100 prize contest for bank clerks, read a paper on "Correct Advertising for a Bank." Cyrus Kehr, Secretary of the Tennessee Highway Association, spoke on "Highway Legislation for Tennessee."

A meeting of the State Bank Section of the Association was also held on Thursday afternoon, at which the following reports were submitted: President—W. T. Nunn, Vice-President of the Bank of Halls; Secretary-Treasurer—J. T. Price, Cashier of the Bank of Monterey; Legislative Committee—W. A. Sadd, Chairman, President of the Chattanooga Savings Bank. The Superintendent of Banks addressed the meeting taking for his subject "The State Banking Department." The delegates participated in a general discussion relating to matters within the scope of the Section.

The proverbial hospitality characteristic of the South was fully exemplified by sundry forms of entertainment provided by the Chattanooga bankers.

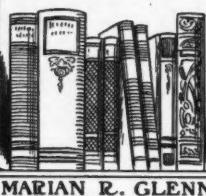
The officers elected for the current year will be published in the July issue of the JOURNAL-BULLETIN.

NEW ENGLAND STATES.

AN interesting program has been arranged for a joint summer meeting of the various Bankers' Associations of the New England States, to be held at the Hotel Wentworth, Portsmouth, N. H., on June 26th and 27th.

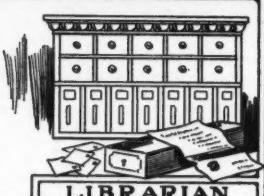
ILLINOIS CONVENTION.

THE first day's sessions of the annual convention of the Illinois Bankers' Association will be held in Chicago, followed by a banquet in the evening at the Hotel Congress. On the adjournment of the banquet the bankers will embark on the steamer "North American" for a trip to Mackinac.



MARIAN R. GLENN

LIBRARY AND REFERENCE DEPARTMENT



LIBRARIAN

BLUE SKY LAWS.

AT the request of several Municipal and Legislative Reference Libraries the following brief bibliography on Blue Sky Laws is printed, to enable them to secure information on that subject in banking periodicals which might otherwise not come to their attention. Only general articles, with a few references to 1914 legislation in the various States, are included. These articles may be borrowed from the A. B. A. Library by members of the Association:

American Institute of Banking.

Debate between Chicago and Pittsburgh Chapters: Resolved, That the so-called blue sky legislation would be for the best interests of the people of the United States. (In American Bankers Association Journal-Bulletin, November, 1913.)

Caldwell, G. B.

Investment bankers and blue sky laws. (Commercial West, April 18, 1914, p. 11.) For comment, see p. 7. Outline of position of Investment Bankers' Association toward blue sky laws. (In Financier, April 18, 1914, v. 103, p. 1184.)

For comment, see Commercial and Financial Chronicle, v. 98, p. 1288, April 25, 1914; Chicago Banker, v. 37, p. 18, April 18, 1914; United States Investor, p. 692, April 25, 1914.

Danforth, F. C.

Address before the South Dakota Bankers' Association. (In Proceedings, p. 47, 1912.)

Dolley, J. N.

Blue Sky. (In Oklahoma Bankers' Association, Proceedings, p. 102, 1912.)

Blue Sky Law. (In Moody's Magazine, v. 15, p. 45, January, 1913.)

Supervising blue sky investments. (In Illinois Bankers' Association, Proceedings, p. 124, 1912.)

Edwards, A. J.

Analysis of proposed blue sky laws. (In Commercial West, May 3, 1913.)

Ferrin, A. W.

Blue sky legislation. (In Moody's Magazine, v. 15, p. 221, March, 1913.)

Politics and banking in America. (In Moody's Magazine, v. 16, p. 65, August, 1913.)

Hayden, W. S.

Blue sky laws and their relation to the investment banker. (In Investment Bankers' Association, Proceedings, p. 139, 1912.)

Hodson, Clarence.

The banker's side of the blue sky law. (In Financier, January 18, 1913.)

Hoyt, A. G.

Litigant investment requirements and blue sky legislation. (In Trust Companies Magazine, January, 1914, p. 35.)

Investment Bankers' Association.

Annual report of counsel. (In Proceedings, p. 164, 1913.)

Resolution relating to blue sky laws. (In Proceedings, p. 29, 1913.)

Miller, Dick.

Address before the Indiana State Bankers' Association. (Proceedings, p. 150, 1912.)

Williams, W. R.

Blue sky acts analyzed. (Coast Banker, April, 1914, p. 282.)

ARKANSAS.

Results of blue sky laws in Arkansas. (American Building Association News, January, 1914, p. 10.)

CALIFORNIA.

California's good blue sky law. (Coast Banker, May, 1913.) Decrease in aggregate capitalization of domestic and foreign corporations. (Commercial West, January 17, 1914, p. 17.)

GEORGIA.

Georgia's blue sky laws. (Commercial and Financial Chronicle, November 8, 1913, p. 1324.)

KANSAS.

Benefits of the blue sky law in Kansas. (Northwestern Banker, November, 1912.)

Dolley, J. N.

Kansas banking, and how Kansas drove out the stock-selling thieves under its blue sky law. (In Tennessee Bankers' Association, Proceedings, p. 33, 1912.)

Prepares re-draft of blue sky law containing changes recommended after two years' administration of the law. (In Chicago Banker, February 8, 1913.)

KENTUCKY.

Hamilton, E.

Has drafted a blue sky law modeled after that in effect in Kansas. (Financier, January 17, 1914, p. 199.)

MAINE.

Maine's modified blue sky law—the enforcement of law is left to the discretion of the State Banking Commission. (Financial World, March 21, 1914, p. 18.)

MASSACHUSETTS.

Provisions of the recent blue sky bill in Massachusetts. (Financier, April 18, 1914, v. 103, p. 253.) The proposed law will greatly inconvenience legitimate concerns. (United States Investor, April 4, 1914, p. 611.) For editorial comment, p. 613.

MICHIGAN.

Investment Bankers' Association, Opinion of Circuit Judge Demson and District Judges Sessions and Turtle on application for preliminary injunction to restrain the enforcement of the law. (Pamphlet published by Conway Brief Company, 142 Lafayette Boulevard, Detroit, 1914.)

Federal court hands down decision, declaring Michigan blue sky law unconstitutional. (Financial Age, January 31, 1914, p. 196; American Banker, January 31, 1914, p. 363; Chicago Banker, January 31, 1914, p. 19; Annalist, February 2, 1914, p. 132.)

Text of decision declaring the Michigan blue sky law unconstitutional. (Michigan Investor, January 31, 1914, p. 11.)

Comment on recent decision regarding, by Bank Commissioner, Attorney General and others. (Chicago Banker, February 7, 1914, p. 9.)

Comment on the judicial condemnation of blue sky law. (Commercial and Financial Chronicle, February 7, 1914, p. 414.)

End of Michigan's blue sky law. (Michigan Manufacturer and Financial Record, January 31, 1914.)

Ruling regarding filing of intervening petitions for protection. (United States Investor, March 14, 1914, p. 450.)

MINNESOTA.

Minnesota Bankers' Association.

Report of the blue sky law committee. (In Min-

nesota Bankers' Association, Proceedings, p. 136, 1913.)

NORTH DAKOTA.

Main features of blue sky law. (Financier, January 17, 1914, p. 207.)

OHIO.

Abstract of Ohio blue sky law. (Finance, May 17, 1913.)

Amended Ohio blue sky law. (Investment Bankers' Association Bulletin, May 12, 1914, v. 2, p. 36.)

RHODE ISLAND.

Two bills introduced seeking to regulate sale of investment securities. (Investment Bankers Association Bulletin, February 25, 1914, p. 4.)

TENNESSEE.

Tennessee blue sky law. (Investment Bankers' Association Bulletin, May 12, 1914, v. 2, p. 32.)

TEXAS.

Text of Texas blue sky law. (Investment Bankers' Association Bulletin, April 10, 1914, p. 17.)

FARM MORTGAGE BANKERS' ASSOCIATION.

REPRESENTATIVES of financial institutions in the United States, whose specialty is the buying and selling of farm mortgages, met in New York last month and perfected an organization to be known as "The Farm Mortgage Bankers' Association of America." The delegates represented trust companies, State banks, and private banking firms; some coming from as far away as California, Washington and Louisiana.

The Association favors improvement in the methods and facilities for making loans upon farm lands, and for making the securities therefor readily available to and safe for the investor; and the Association advocates co-operation to secure such legislation—State and National—as will best promote and safeguard the interests of both borrowers and lenders without inducing harmful inflation of credit or undue speculation in lands.

The policy of the Association will also be to advocate such proper reforms as may be proposed in the investment business and to meet changing conditions—to go ahead, not stand still; to work with lawmaking bodies, and not stand opposed to reform measures.

It is recognized by farm mortgage men that the agricultural lands of the country are its mainstay and a foundation for the very best security; thus, the demand for the note of the farmer secured by his farm will be so great as to render unnecessary any crutches for "rural credits," and the borrowing facilities of the American farmer will be second to none. One of the objects, therefore, of the farm mortgage men in organizing is to take full advantage of the new field opened up to such investments by the Federal Reserve Act.

The following officers were elected: President, F. W. Thompson, Illinois; First Vice-President, Kingman N. Robins, New York; Second Vice-President, O. M. Corwin, Minnesota; Third Vice-President, J. E. Maxwell, Missouri; Secretary-Treasurer, W. D. Hord, New York City.

A Board of Governors was chosen, as follows: A. Y. Allen, Tennessee; P. W. Bonfoey, Oklahoma; Edwin Chamberlain, Texas; R. N. Jackson, Connecticut; Edward L. Devereaux, Oregon; Conner Malott, Washington; Levering Moore, Louisiana; George L. Ramsey, Montana; Moultrie M. Sessions, Georgia; S. H. Warren, Kansas; J. W. Wheeler, Minnesota; W. L. Williamson, North Dakota.

A. B. A. MORTUARY RECORD REPORTED DURING MAY.

Algoe, Otis L.—President Farmers State Bank, Halton, Wash.

Anderson, R. M.—Vice-President State Savings Bank, Charleston, S. C.

Bates, George R.—President Oceana County Savings Bank, Hart, Mich.

Black, George M.—Director Union Trust Company, Detroit, Mich.
Burns, Edward—Vice-President and Director American Exchange National Bank, New York City.

Chester, Dwight—President Newton Trust Company, Newton, Mass.

Currie, George F.—President Second National Bank, Atlantic City, N. J.

Dwyer, William S.—Assistant Cashier First National Bank, Hartford, Conn.

Ely, Dr. J. S.—President National Bank of Barnsville, Barnsville, Ohio.

Handy, Richard Fleming—Director Greenwich Bank and Colonial Bank, New York City.

Howe, John—President Bank of Nutley, Nutley, N. J.

Hull, A. J.—Director and Attorney The Napa Savings Bank, Napa, Cal.

Jenkins, Felix J.—Director Fourth National Bank, Columbus, Ga.

Keith, J. F.—President Citizens Bank, Sturgeon, Texas.

Kyser, D. S.—President The Napa Savings Bank, Director The First National Bank, and Mayor of Napa, Cal.

Larable, S. E.—President Larable Brothers, Bankers, Deer Lodge, Mont.

Lowe, George Livingston—Cashier First National Bank, Key West, Fla.

Meyers, Aaron—Vice-President First National Bank, Helena, Ark.

Moore, Robert—President First National Bank, Mount Carroll, Ill.

Nickerson, Charles C.—Vice-President Easton Bank, Easton, Md.

Pfohl, Peter P.—President Power City Bank, Niagara Falls, N. Y.

Phillips, C. G.—President Highland Park State Bank, Highland Park, Ill.

Pierson Samuel D.—Director First National Bank, Geneva, N. Y.

Post, C. W.—Director Central National Bank, Battle Creek, Mich.

Potter, George H.—Director Bradford National Bank, Bradford, Pa.

Schaefer, J. J.—Vice-President Citizens National Bank, Galion, Ohio.

Seidel, J. Harper—President First National Bank, Marysville, Pa.

Sibley, Ripley—President Powow River National Bank, Amesbury, Mass.

Stanton, John E.—Vice-President National Farmers Bank, Warren, Ill.

Strong, David—President First National Bank, Winsted, Conn.

Wittig, Jacob, Jr.—Cashier First National Bank, Marinette, Wis.

Yocom, Oran E.—President Farmers National Bank, Aurelia, Iowa.

Zimmerman, Ernst C.—Cashier Marathon County Bank, Wausau, Wis.

LEGAL DEPARTMENT

THOMAS B. PATON · GENERAL COUNSEL

INTERLOCKING DIRECTORATES.

SECTION 9 of the Clayton Anti-Trust bill (H. R. 15657), containing the provisions relating to Interlocking Directorates of banks, which bill was reported to the House by the Judiciary Committee on May 6th, was reached for discussion on June 1st, and during a protracted debate all of the amendments offered to modify the drastic provisions of the section were rejected and the House proceeded to consideration of the remaining sections of the bill, which was concluded June 2d. This means that when the bill is finally voted upon, probably during the week ending June 13th, Section 9, as reported, will in all likelihood be passed by the House. Under House Resolution agreed to May 19th, the three Anti-Trust bills, creating an Interstate Trade Commission, regulating Interlocking Directorates, and the Railroad Stock and Bond bill, were to be considered in the order named and each laid aside until the general debate on all had been concluded. After consideration of all three bills, they were to be voted upon. Debate on the first two bills has now been completed, and at this writing (June 3d) the Stock and Bond bill is under discussion.

The original proposed legislation on this subject was contained in Section 2 of "tentative print 3" submitted to the House Judiciary Committee in January, which prohibited directorships in more than one bank, where one of them was organized under the Federal Act, without any limit as to locality or size of bank. After hearings in January and February in which modifications were urged, a sub-committee draft containing certain modifications, but yet very objectionable, was introduced in the House by Mr. Clayton on April 14th (H. R. 15657) and referred for consideration to the Committee on Judiciary. This draft was further modified in Committee and reported to the House, as above stated, on May 6th. Following is Section 9, as reported, the words in heavy type indicating additions, and in brackets, eliminations from the corresponding Section (8) of the bill of April 14th. As already stated, no substantial change or modification has been made as a result of the debate in the House.

Interlocking Directorate Provision as Agreed on in Committee of Whole House, Except Amendments Shown Below.

Sec. (8) 9. That from and after two years from the date of the approval of this Act, no person who is engaged as an individual, or who is a member of a partnership, or is a director or other officer of a corporation that is engaged in the business, in whole or in part, of producing or selling equipment, materials, or supplies to, or in the construction or maintenance of railroads or other common carriers engaged in commerce, shall act as a director or other officer or employee of any **other corporation or common carrier** engaged in commerce to which he, or such partnership or corporation, sells or leases, directly or indirectly, equipment, materials, or supplies, or for which he or such partnership or corporation, directly or indirectly, engages in the work of construction or maintenance; and, after the expiration of said period no person who is engaged as an individual or who is a member of a partnership or is a director or other officer of a corporation which is engaged in the conduct of a bank or trust company shall act as a director or other officer or employee of any such common carrier for which he or such partnership or bank or trust company acts, either separately or in connection with others, as agent (in the disposal of, or is inter-

ested in the underwriting of) for or underwriter of the sale or disposal by such common carrier of issues or parts of issues of its securities or from which he or such partnership or bank or trust company purchases, either separately or in connection with others, issues or parts of issues of securities of such common carrier.

That from and after two years from the date of the approval of this Act no person shall at the same time be a director or other officer or employee of more than one bank, banking association, or trust company organized (and) or operating under the laws of the United States, either of which has deposits, capital, surplus, and undivided profits aggregating more than \$2,500,000; and no private banker or person who is a director in any bank or trust company, organized and operating under the laws of a State, having deposits, capital, surplus, and undivided profits aggregating more than \$2,500,000, shall be eligible to be a director in any bank or banking association organized (and) or operating under the laws of the United States. The eligibility of a director under the foregoing provisions shall be determined by the average amount of deposits, capital, surplus and undivided profits as shown in the official statements of such bank, banking association or trust company filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director has been elected in accordance with the provisions of this Act it shall be lawful for him to continue as such for one year thereafter under said election.

No bank, banking association, or trust company organized (and doing business) or operating under the laws of the United States in any city or incorporated town or village of more than one hundred thousand inhabitants as shown by the last preceding decennial census of the United States shall have as a director or other officer or employee any private banker or any director or other officer or employee of any other bank, banking association, or trust company located in the same place. Provided, That nothing in this section shall apply to mutual savings banks not having a capital stock represented by shares; Provided further, That a director or other officer or employee of such bank, banking association, or trust company may be a director or other officer or employee of not more than one other bank or trust company organized under the laws of the United States or any State where the entire capital stock of one is owned by stockholders in the other; And provided further, That nothing contained in this section shall forbid a director of class A of a Federal reserve bank, as defined in the Federal Reserve Act, from being an officer or director or both an officer and director in one member bank.

That from and after two years from the date of the approval of this Act no person at the same time shall be a director in any two or more corporations, either of which has capital, surplus and undivided profits aggregating more than \$1,000,000 engaged in whole or in part in commerce, other than common carriers, subject to the Act to regulate commerce, approved February fourth, eighteen hundred and eighty-seven, if such corporations are, or shall have been theretofore, by virtue of their business and location of operation, competitors, so that an elimination of competition by agreement between them would constitute a violation of any of the provisions of any of the anti-trust laws. The eligibility of a director under

the foregoing provision shall be determined by the aggregate amount of the capital, surplus, and undivided profits, exclusive of dividends declared but not paid to stockholders, at the end of the fiscal year of said corporation next preceding the election of directors, and when a director has been elected in accordance with the provisions of this Act it shall be lawful for him to continue as such for one year thereafter.

That any person who shall violate any of the provisions of this section shall be guilty of a misdemeanor, and shall be punished by a fine of \$100 a day for each day of the continuance of such violation, or by imprisonment for such period as the court may designate, not exceeding one year, or by both, in the discretion of the court.

In the present status of the measure, while mutual savings banks are taken care of, this bill prohibits:

(a) A person from at the same time being a director or officer of more than one bank operating under the National law where either has capital and deposits exceeding \$2,500,000;

(b) Prohibits a private banker or director in a State bank having capital and deposits aggregating more than \$2,500,000 from being a director in any National bank.

(c) In cities of more than 100,000 inhabitants no institution operating under the National law can have as a director or officer a private banker or a director or officer of a State bank in the same place.

The only exceptions, aside from mutual savings banks, are that a director or officer of one institution may be a director or officer in not more than one other institution where the entire capital stock of one is owned by stockholders in the other; with the further exception as to a director of Class A of a Federal reserve bank. It has also been pointed out that there is nothing in the above which would prevent a director or officer of a National bank having capital and deposits exceeding \$2,500,000 from also being an officer or director in a State bank or trust company having capital and deposits below that figure, except where both are located in cities of more than 100,000.

Efforts Toward Modification.

The above provisions would apply with great injustice to a large number of bank officers interested in more than one bank who would be affected by the \$2,500,000 limit. A special circular was issued on May 5th to all the members of the Association quoting the provisions of Section 9, as above, and suggesting that every bank officer affected communicate immediately with his representative in Congress stating his particular situation, showing the injury and injustice which would result from the operation of the bill as reported, indicating how the continuance of his existing relations does not result in any restriction of competition between banks nor in any undue control in the granting or refusing of credit nor result in any harmful effect contrary to the general purpose of the Anti-Trust Laws, and urging either the entire elimination of the provisions relating to banks or at all events their material modification along lines which had been suggested by our Committee on Federal Legislation. In pursuance of this circular a large number of letters were written by bank officers affected to members of Congress containing very good reasons for the further modification or entire elimination of this section so far as it is applicable to banks, but the result of the debate indicates that these letters have not had the desired effect.

Amendments in Modification Rejected in House.

During the course of the debate, Mr. Cline, of Indiana, offered an amendment to strike out the word "entire" and substitute the words "not less than three-fourths of the" in the proviso that a director of one bank may be a director in another where the entire capital of one is owned by stockholders in the other. But after discussion this amendment was rejected.

Mr. McCoy, of New Jersey, offered an amendment to strike out those portions of the bill relating to banks and to substitute therefor the following: "Whenever an officer or director of a bank or trust company, member of a Federal reserve bank, shall be also a private banker, or an officer or director of any other bank or trust company, and it shall appear to the Federal Reserve Board upon proof, after due notice of hearing and an opportunity to be heard, that such officer or director is taking advantage of his position so as substantially to lessen competition between such banks or trust companies or any of them, or between himself and any such bank or trust company, or that he is exercising improper influence over any such bank or trust company in the granting or refusing of credit, the Federal Reserve Board shall remove such officer or director from one or all of said banks organized under the laws of the United States and may require the removal of such officer or director from such State bank or trust company, or in the alternative the retirement of such State bank or trust company from membership in said Federal reserve bank."

The above is substantially the substitute amendment presented by our Committee on Federal Legislation. After full debate this proposed amendment was rejected.

Mr. Bartlett, of Georgia, suggested an amendment to the concluding paragraph of Section 9 proposing a fine of \$100 per day so as to make the fine "not exceeding \$100 per day," to give a court some discretion to adjust the penalty to the case. This amendment was agreed to by the Committee.

Mr. Gardner, of Massachusetts, offered an amendment to insert after the word "election" in the sentence concerning the eligibility of a director the following: "Provided, That the Federal Reserve Board may grant to any person a revocable permission to serve at the same time as a director or other officer or employee of an additional bank, banking association, or trust company, notwithstanding anything contained in this paragraph, whenever it is satisfied that such permission may be granted without detriment to the public welfare and without the creation of monopoly or restraint of trade: Provided further, That in his annual report the Secretary of the Treasury shall specify each permission granted in accordance with the preceding proviso, together with the reasons therefor." This amendment was also rejected.

Mr. Reilly, of Connecticut, offered an amendment to strike out the words "one hundred thousand" and insert in lieu thereof two hundred thousand in the prohibitory provision relating to directors of banks in cities or incorporated towns or villages of more than one hundred thousand inhabitants. This amendment was also rejected.

The above were the only amendments offered to Section 9 and, as shown, all were rejected, except the slight amendment of the penalty clause.

Situation in Senate.

Assuming, as seems likely, that the House will shortly pass the Clayton Anti-Trust bill with Section 9 not materially modified, it will then go to the Senate and will then probably be referred to the Committee on Interstate Commerce. That Committee has, through a sub-committee consisting of Senators Newlands, Pomerene, Robinson, Saulsbury, Cummins, Brandegee and Townsend, prepared a bill to create an interstate trade commission which, among other features, contains regulating and prohibitory provisions governing (Sec. 9) Interlocking Directors of competing commercial corporations, (Sects. 10 and 11) holding companies and (Sec. 12) full paid capitalization, and then provides:

"Section 13. Sections nine, ten, eleven and twelve shall apply to all corporations engaged in or affecting commerce, except banks and banking institutions."

This bill, which leaves banking institutions entirely out of the Anti-Trust provisions, has not yet been reported to the Senate, and probably no report will be made until after the receipt and consideration of the Anti-Trust bills which come from the House.

From the best view of the situation obtainable it is extremely unlikely that the Senate will include a prohibition of Interlocking Directorates of Banks in any Anti-Trust legislation which it may pass.

Amendments in House as to Continuance of Eligibility of Directors, Officers and Employees.

ADDENDA.—Since putting the above in type, information has been received of the following additional amendments agreed to June 2d, unanimous consent having been asked by the Chairman of the Judiciary Committee to return to Section 9 to make such amendments:

1. The clause as to the eligibility of a director was amended to read as follows: "The eligibility of a director, officer, or employee under the foregoing provisions shall be determined by the average amount of deposits, capital, surplus, and undivided profits as shown in the official statements of such bank, banking association or trust company filed as provided by law during the fiscal year next preceding the date set for the annual election of directors, and when a director, officer, or employee has been elected or se-

lected in accordance with the provisions of this Act it shall be lawful for him to continue as such for one year thereafter under said election or employment."

2. The following new paragraph was inserted in Section 9 immediately preceding the penalty clause: "When any person elected or chosen as a director or officer or selected as an employee of any bank or other corporation subject to the provisions of this Act, is eligible at the time of his election or selection to act for such bank or other corporation in such capacity his eligibility to act in such capacity shall not be affected and he shall not become or be deemed amenable to any of the provisions hereof by reason of any change in the affairs of such bank or other corporation from whatsoever cause, whether specifically excepted by any of the provisions hereof or not, until the expiration of one year from the date of his election or employment."

At the conclusion of the debate on June 2d, a motion was agreed to that the bill, as amended in Committee of the Whole House, be laid aside with a favorable recommendation that it pass.

OPINIONS OF GENERAL COUNSEL.

Summary of Questions Received and Opinions Rendered to Members of the Association.

FORGED COUNTERSIGNATURE ON LOST TRAVELER'S CHECK.

Where traveler's check is issued to H who loses it and his countersignature is forged, purchaser has no recourse upon issuing bank—Where check paid on forgery of countersignature, true owner may recover from issuing bank—Liability of local selling bank discussed.

From Texas.—We cashed the enclosed traveler's check for a party who will not make same good to us; we believed the countersignature was genuine. As you note from the correspondence attached, the party to whom the check was issued claims same is a forgery. We have noticed mention of a recent decision bearing on traveler's check where the countersignature is forged, purporting that the issuing bank is responsible when such is the case. We are not familiar with the decision referred to and would thank you to advise us if we have any recourse against the P—Bank of U—Nebraska, on the check enclosed. (The check shows it was sold by that bank.)

This is a Knauth, Nachod & Kuhne Travelers' check, denomination \$20, sold by a bank in Nebraska, issued to one H, purchased by your bank and claim made that H lost the check before countersignature and that countersignature of H thereon is a forgery.

Assuming such to be the fact, you have no recourse upon any of the parties to the check but have recourse upon the person from whom you purchased it.

The recent decision by the New York Supreme Court, Appellate Division, First Department in *Sullivan v. Knauth, et al.*, 146 N. Y. Supp. 583, involved similar checks which were lost before countersignature, but in that case the checks had been paid by the issuing bankers upon a forgery of the countersignature and the action was by the owner against such issuing bankers to recover the amount, in which he had judgment. That case would be analogous to yours if the check in your case had been actually paid by the issuing bankers in New York upon a forgery of the countersignature and H had then sued the bankers and recovered. H being the owner and never having parted with title would be entitled to recover the amount of his checks notwithstanding they had been paid once on a forgery of his countersignature, but in your case, your bank purchasing such a check on a forgery of the countersignature of course takes no title or right of enforcement, and can only look to the person from whom it purchased the check, for reimbursement.

The opinion of the New York Court is instructive, and is quoted below:

"The business of issuing and selling traveler's checks similar to those issued by the defendants is of comparatively modern origin. By reason of their convenience the business has grown to be very considerable. The exact relationship between the parties has not been settled by judicial determination. The case, by reason of the widespread interests affected, is therefore of importance.

"The plaintiff procured these checks from the defendants' agents, hence, from them. In my opinion a relation cognate to that of depositor and banker should be considered to have been established between the plaintiff and these defendants. If that is not the effect of the transaction, the traveler obtains little advantage from these so-called traveler's checks, and might as well carry bills or gold. The basis of his purchase is protection by reason of the double signature. Safety is the thing impressed upon him. The paper is not effective as a draft, or check, or order for the payment of money, until the purchaser, who, in the presence of the agent of the defendant has signed his signature in the space 'holder's signature,' has countersigned it. The promise is to pay 'when countersigned below with the opposite signature,' not the opposite name, and below 'Countersign here' is engraved. This signature must correspond with above, not this name, and in this booklet defendants call attention to the difficulty of successful forgery when the countersignature is made in the presence of the person who, as the agent of the defendant, pays the check. It seems to me, therefore, it must be held that it is the second signature which gives the paper final currency. It is in the precise situation of a check payable to the order of a designated payee unendorsed by said payee. That being so, the countersigned signature must be treated as the ordinary indorsement of a payee upon an ordinary check; that is, the bank is responsible if it pays on a forgery. Treating it in this way, those defendants have their remedy over against prior indorsers as in an ordinary case of forgery of payee's signature on any other negotiable instrument. Unless it be so held, the whole scheme seems likely to fail.

"The defendants make a point about 'lost' check and their representation that they will pay the amount thereof on receiving a bond of indemnity. These checks are not lost. They are in existence. They were offered in evidence upon the trial. They were obtained from the possession of the defendants who had paid them. They are now in no sense of the word lost, and no bond

of indemnity can be required. They are checks upon which the true owner's name, which gave them negotiability, that which would be equivalent to the payee's name, has been forged. The defendants received the plaintiff's money upon the agreement to pay it out on his order, evidenced by his countersignature upon this document. They breached their agreement by paying it out upon a forged simulation of his signature, and should be held, it seems to me, as they would have been under similar circumstances upon an ordinary check.

"The only case on the subject called to our attention is *Samberg v. American Express Co.*, 136 Mich. 639, 99 N. W. 879, where plaintiff sued as holder of an instrument delivered to him by one A. J. Townsend, whose signature appeared in the upper space, but who had drawn a line through the date and the countersignature. The court said:

"Checks of a like character to this one have come into very general use, especially by travelers. They are an ingenious, safe, and convenient method by which the traveler may supply himself with funds in almost all parts of the civilized world, without the hazard of carrying the money on his person. The company has the right to refuse to pay the check when the check does not bear the countersign agreed upon. The owner of the check also has the right to insist it shall not be paid when it is not countersigned as agreed. This check was not so countersigned, and for that reason defendant was entitled to a judgment in its favor."

This case does not decide the question of ultimate liability for the loss upon a traveler's check paid on a forgery of the countersignature as between the issuing banker and the selling local banker, nor does it touch upon the question whether the owner of a lost check would have a right of action thereon against the local selling banker in the first instance. The action here was brought against the issuing bank in New York, and in its opinion the court says "the plaintiff procured these checks from its agents, hence from them," thereby indicating that the selling local banker is only the agent of the issuing banker and as, of course, the bulk of the consideration goes to the issuing banker, the ultimate liability as between the two would presumably rest solely upon the latter. But in any case where the loser of a traveler's check should demand payment of the local selling bank in the first instance and then sue it, the question would arise concerning its liability. This question has not as yet come up for decision so far as I know. If the local selling banker appeared in the transaction from the face of the check or otherwise simply as the agent of the issuing banker, there would probably be no liability; otherwise if its signature was construed to be that of a joint maker.

FORGERY AGAINST LOST LETTER OF CREDIT.

Bank purchasing forged draft against lost letter of credit is the loser unless draft paid by drawee in which case latter probably bound by payment.

From Wyoming.—Will you kindly inform us whether banks issuing letters of credit can legally be held responsible in case a letter is lost and finder forges a draft against it. In other words, is the bank to which such a letter is presented, bearing the genuine signature of the owner, responsible for the genuineness of the signature of the drawer of the draft against the letter?

Of course a bank cashing a forged draft drawn against a lost letter of credit would be the loser if the drawee bank refused payment. But if the bank in good faith received payment from the drawee, the general rule would probably apply that a bank, mistaking its depositor's signature and paying a draft on a forgery thereof, cannot recover from a bona fide holder free from negligence who has received payment.

IMPRINT OF UNITED STATES FLAG ON BANK'S STATEMENT FOLDER.

Federal statutes do not prohibit imprint of likeness of United States flag on bank's statement folder—New York statute examined and opinion given that such use not prohibited by act but with suggestion that District Attorney of County be consulted.

From New York.—We enclose herewith blank statement folder with the American flag embossed thereon. In your opinion is it unconstitutional, or not, for us to use this folder in connection with statement of our bank, used for advertising purpose. (Folder enclosed with name of bank and likeness of United States flag imprinted on first page; statement of bank to appear in the interior.)

The question is whether the imprint of the likeness of the U. S. flag upon the folder of a bank containing statement of the bank's condition which is used for advertising purposes will be in violation of any Federal or State law.

There is no Federal statute which would prohibit the imprint of the likeness of the U. S. flag upon a bank's statement card; the extent of Federal legislation on the subject is to prohibit the use of the flag as a trade-mark. See Act February 18, 1911, c. 113, as amended January 8, 1913.

Looking at the State law, the legislature of New York in 1903 passed an Act (Chap. 272 Laws 1903; now Subsection 16 of Section 1425 of the Penal Law) in regard to the desecration and improper use of the U. S. and New York State flags, as follows:

Sec. 1. Subdivision sixteen of section six hundred and forty of the penal code as added by chapter twelve of the laws of eighteen hundred and ninety-nine is hereby amended to read as follows:

16. Any person, who in any manner, for exhibition or display, shall place or cause to be placed, any word, figure, mark, picture, design, drawing or any advertisement, of any nature, upon any flag, standard, color or ensign of the United States or State flag of this State or ensign, or shall expose or cause to be exposed to public view any such flag, standard, color or ensign, upon which shall be printed, painted, or otherwise placed, or to which shall be attached, appended, affixed, or annexed, any word, figure, mark, picture, design, or drawing, or any advertisement of any nature, or who shall expose to public view, manufacture, sell, expose for sale, give away, or have in possession for sale, or to give away, or for use for any purpose, any article, or substance, being an article of merchandise, or a receptacle of merchandise upon which shall have been printed, painted, attached, or otherwise placed, a representation of any such flag, standard, color, or ensign, to advertise, call attention to, decorate, mark, or distinguish, the article, or substance on which so placed, or who shall publicly mutilate, deface, defile, or defy, trample upon, or cast contempt, either by words or act, upon any such flag, standard, color, or ensign, shall be deemed guilty of a misdemeanor, and shall be punished by a fine not exceeding one hundred dollars or by imprisonment for not more than thirty days, or both, in the discretion of the court. The words, flag, standard, color or ensign, as used in this subdivision or section, shall include any flag, standard, color, or ensign, or any picture or representation, of either thereof, made of any substance, or represented on any substance, and of any size, evidently purporting to be, either of, said flag, standard, color or ensign, of the United States of America, or a picture or a representation, of either thereof, upon which shall be shown the colors, the stars, and the stripes, in any number of either thereof, or by which the person seeing the same, without deliberation may believe the same to represent the flag, colors, standard, or ensign, of the United States of America. This subdivision and section shall not apply to any act permitted by the statutes of the United States of America or by the United States army and

navy regulations nor shall it be construed to apply to a newspaper, periodical, book, pamphlet, circular, certificate, diploma, warrant or commission of appointment to office, ornamental picture, article of jewelry, or stationery for use in correspondence, on any of which shall be printed, painted or placed, said flag, disconnected from any advertisement.

Sec. 2. This Act shall take effect September first, nineteen hundred and three.

In *People v. Van De Carr*, 178 N. Y. 425 (decided in 1904) it was held that in so far as the above statute applied to articles manufactured, and in existence when it was lawful to manufacture and have them in possession, it violated Art. I, Section 6 of the State constitution declaring that private property shall not be taken for public use, without just compensation.

But otherwise the law would seem to be in full force and effect.

The question then is whether there is anything in the New York law which prohibits the use of the likeness of the flag on the bank's statement card as proposed.

The first part of the Act relates to placing any advertisement on the flag itself and this part of the law, of course, does not apply. The Act then provides that

Any person "who shall expose to public view, manufacture, sell, expose for sale, give away or have in possession for sale, or to give away, or for use for any purpose, any article, or substance, being an article of merchandise, or a receptacle of merchandise upon which shall have been printed, painted, attached or otherwise placed, a representation of any such flag . . . to advertise, call attention to, decorate, mark or distinguish the article or substance on which so placed . . . shall be deemed guilty of a misdemeanor."

But the concluding portion of the Act provides that it shall not

"be construed to apply to a newspaper, periodical, book, pamphlet, circular . . . ornamental picture, article of jewelry, or stationery for use in correspondence, on any of which shall be printed, painted, or placed said flag, disconnected from any advertisement."

Even could the bank's statement referred to be construed, when coming from the printer's hands, as an article of merchandise, I think the concluding portion of the Act would permit the use of the imprint of the flag on the bank's statement card and take it out of the prohibitory portion of the law. It is therein expressly legislated that the Act does not apply to a pamphlet or circular on which shall be printed the flag disconnected from any advertisement. The design of the folder submitted is to imprint the flag on the first page and the bank's statement on the interior of the folder. Admitting that the statement is used to advertise the bank, the imprint of the flag would not seem to be connected therewith any more than when it is imprinted on a newspaper which contains reading and advertisement matter which may be sent out for advertising purposes or on a pamphlet or circular, the contents of which may advertise the issuer. At the same time I think it would be well to consult the District Attorney of your County and get his opinion on the subject.

INLAND BILL OF EXCHANGE.

Check drawn and payable in same State is an inland and not a foreign bill although payee is located elsewhere.

From Tennessee.—Under the Negotiable Instruments Act it is not necessary to protest a domestic bill of exchange, if dishonored. Now there seems to be some question as to whether a check drawn by a citizen of this State on a bank located in this State but payable to a citizen of some other State is a domestic or a for-

ign bill of exchange. Please advise us on this point.

The check in question is an inland and not a foreign bill of exchange. See Section 129 of your Negotiable Instruments Act which provides: "An inland bill of exchange is a bill which is, or on its face purports to be, both drawn and payable within this State. Any other bill is a foreign bill. Unless the contrary appears on the face of the bill, the holder may treat it as an inland bill." The fact that the payee is located in another State does not make the check a foreign bill.

BANK SET-OFF.

Under the law of New York, bank holding unmatured notes of depositor who has made an assignment cannot set off deposit against notes—Rule in Federal Courts and under Bankruptcy Act allows set-off.

From New York.—A depositor made a general assignment. We hold his note for a larger amount than his balance, but not due. Can we refuse the assignee payment of his check for the balance, claiming a set-off, and hold the money until note matures?

The general rule is that a bank cannot apply a general deposit to an unmatured indebtedness of the depositor. In some of the states the courts, however, hold that on the insolvency of a depositor before the maturity of a debt owed by him to the bank, the latter may apply his general deposit to the payment of the debt as against the insolvent or his general assignee. But the courts of other states hold, to the contrary, that a bank cannot apply the deposit of a customer to the payment of an indebtedness owed to it by him which has not matured, though he be insolvent. Among these states is New York. See for example *Heidelbach v. National Park Bank*, 87 Hun 117, where it was held that in the absence of a contract, a banker has no right to apply the balance of a customer's deposit upon an indebtedness not yet matured in case of his insolvency. See also *Delahunty v. Central National Bank*, 63 App. Div. 177. In that case a firm had a deposit with a bank which held unmatured notes of the firm to an amount greater than that of the deposit. The firm made an assignment for the benefit of creditors which was afterwards set aside and a receiver appointed. The judgment appointing the receiver was not recovered until after the maturity of the notes. It was held that the receiver was merely subrogated to the rights of the firm as of the date of his appointment, and hence not entitled to recover the amount of the deposit. If however the assignment had not been set aside the bank could not have refused payment of the deposit to the assignee because it held notes, not then matured of the assignor.

The above indicates the law of New York which is apparently against your right of set-off of unmatured notes against your customer's assignee. The rule in the Federal courts is different as is also the rule under the Bankruptcy Act. When a depositor goes into bankruptcy and the bank holds his unmatured notes, it has the right of set-off.

APPLICATION OF MAKER'S DEPOSIT IN INTEREST OF INDORSER.

Where, at maturity of a note, the maker has on deposit with the bank a sum less than the amount of the note, a majority of the courts hold that the bank is not obliged to apply the maker's deposit towards partial satisfaction of the note in the interest of the indorser.

From Ohio.—A corporation has \$750 in bank on day of maturity of a \$1,000 note. The note bears individual endorsements of parties inter-

ested in the corporation. If the bank does not apply the principle of off-set at the maturity of the note and the funds on deposit should afterwards be drawn out and the corporation fail in business, could the endorsers claim that through the bank not exercising a right of set-off—through such negligence—the positions of the endorsers were weakened, and could they sustain the view that the bank should have applied the funds on deposit as an off-set against the note which was due? The endorsers were of course bound by notice and protest. Stating the question in a general way we ask is a bank obliged to apply any funds on deposit to the account of a maker of a note to the payment of the note on the day of maturity in order to protect the interest of any surety or endorsers? The question assumes that a less account than the amount of the matured paper is on deposit.

Where at maturity of a note the maker's deposit is sufficient to meet the note, there is a conflict of authority as to the obligation of the bank to apply the deposit to payment of the note in the interest of endorsers or sureties. A number of courts hold that if the bank does not do so, the endorsers are discharged. A number of other courts hold that no such duty arises and failure to make the application will not discharge the endorsers.

But those cases which hold the first proposition nearly all limit the duty of the bank to the case where the deposit, at maturity, is sufficient. If the deposit is less than the note at maturity, the duty does not exist and the endorser or surety will not be discharged. Nor will subsequent sufficient deposits raise the duty.

As a general proposition, therefore, according to the weight of authority, where the maker's deposit at maturity of his note is less than the amount of the note, there is no duty of the bank running to the endorsers or sureties to apply it in partial satisfaction of the note and the bank's omission so to do will not release the endorsers, although the maker subsequently draws out the balance and then fails.

But there is a case in Ohio, *Armstrong v. Warner*, 49 Ohio St. 376, which calls for notice. A bank had discounted a draft drawn by A, its depositor, upon B, which B had accepted for A's accommodation. At maturity the draft was protested. The bank passed into the hands of a receiver at which time the drawer, who afterwards became insolvent, had standing to his credit with the bank a sum less than the amount of the draft. It was held that B, his surety, was entitled in equity to have set off against his liability to the bank as acceptor of the draft, the amount due his principal on the deposit. This decision that where customer and bank are both insolvent and the receiver has certain money of the principal in his hands, the surety is entitled to have that money set off or applied by the receiver in reduction of the principal's indebtedness for which the surety is liable, would seem to present a different situation from the case where the bank remains solvent and, not having sufficient funds of the principal on deposit at maturity to meet his note, does not apply them and afterwards allows the principal to draw them out. Upon this proposition the large majority of courts are to the effect that there is no duty of the bank in the interest of the surety to apply insufficient funds at maturity to the principal's indebtedness and failure to make such application does not release the surety from liability. I do not find that the precise point has ever been decided by the Supreme Court of Ohio.

ELEVATOR STORAGE TICKET ISSUED WITHOUT GOODS.

Elevator company not liable on such ticket where issued to fictitious person by agent who, after endorsing fictitious name and his own name, negotiates to a purchaser for value.

From South Dakota.—The manager in charge of a line elevator recently borrowed a sum of

money on a forged Elevator Storage ticket. This ticket was the regular printed form used by the Company in all cases of storage. The ticket was very complete with all the amounts filled in in detail. The Company name was printed at the bottom, followed by the agent's name properly signed on the blank for that purpose. (This agent is the same party referred to above as manager). The ticket was issued to a fictitious person, endorsed by same name, and also endorsed by the agent to whom the loan was made. The agent represented that he had bought the ticket of the original owner. Are not the prospects good for holding the Elevator Company for the amount of the ticket? Your opinion and any suggestions will be appreciated.

If this was the case of a check signed in the name of the drawer by his authorized agent and wrongfully made payable to a fictitious person, the endorser being forged by such agent who, after adding his own endorsement, negotiated the check, the purchaser would probably be protected under the rule that a negotiable instrument knowingly made payable to a fictitious person, is payable to bearer, for it would not be necessary for the purchaser to derive title through the endorsement and the drawer could be held on such a check where the agent, authorized to issue checks for the drawer's purposes had misabused the trust reposed in him and wrongfully issued a check for his own purposes.

But the present is not the case of a negotiable instrument payable in money, but of an elevator storage ticket supposedly representing goods. Such ticket has been wrongfully issued by an agent authorized to issue these tickets for goods stored, but in this case, fraudulently and without actual receipt of any goods. The ticket has been issued in the name of a fictitious person whose endorsement is forged by the agent and the latter, after also endorsing his own name has negotiated the ticket for value, representing that he has purchased it from the original owner.

If this forged ticket had been issued to a real person acting in collusion with the issuing agent and endorsed and transferred for value by the latter, so that the element of forgery did not exist, the question would be simply whether an agent, authorized to issue receipts for goods stored, could bind his company to a bona fide purchaser where a receipt had been issued and negotiated without any goods having been received. On this question, as is well known in cases of bills of lading, there is a conflict of authority. But it is unnecessary to discuss this question nor the further question whether, assuming the receipt was issued to a real person, the endorsement back to and negotiation by the issuing agent would not itself put a purchaser on inquiry, for in the present case I think the fact that the ticket was issued to a fictitious person and his endorsement forged, would leave the purchaser without remedy against the elevator company.

There is a direct case in point involving a bill of lading. In Alabama the statute provided that where certain kinds of bill of lading had been issued without the goods having been received, the carrier would be liable in damages to a person injured thereby. A railroad agent issued a false bill to the name of a fictitious person as consignee. The bill was mailed to a bank in another city and an advance received thereon. The court held that, had the bill been issued to a real person, the carrier would have been liable under the statute, but having been issued to a fictitious person, there was no one in existence who could transfer rights thereunder. *Jasper Trust Co. v. R. R.* 39 Ala. 416.

In the light of this case it would seem that the purchaser of the elevator ticket in question could not hold the elevator company thereon. There is no statutory provision relating to warehouse receipts or storage tickets analogous to that in the Negotiable Instruments Act under which an instrument knowingly issued to a fictitious person is payable to bearer. I think therefore the conclusion must be reached in the present case that the elevator company cannot be held for the amount of the storage ticket.

CERTIFIED CHECK.

Where check is certified for drawer and delivered to B a fraudulent holder who negotiates it for value to D, certifying bank must pay to D, who is a holder in due course, notwithstanding B has procured check from drawer by fraud.

From Oklahoma.—A draws a check in his own favor for \$1,000 on C bank. This same bank certifies this check charging the amount to A's account. After having the check certified A endorses same to B who takes it to D bank in same city, endorses same and gets the money for it. Before the check has been cleared and while it is still in the custody of D bank, A returns to C bank and demands that payment be stopped on the certified check as it had been given to B in payment of a gold brick which in the meantime A has discovered was of no value. D bank a few minutes later presents the certified check to C bank for payment which is refused on account of A having demanded that payment be stopped. What recourse, if any, has D bank? Neither bank in this transaction had notice of fraud in the transaction between A and B except as above stated. What I desire to know is whether or not D bank can compel C bank to pay the check, same having been certified and properly endorsed.

D bank has paid value to B for this certified check without notice that the same was fraudulently procured by B from A and is therefore a holder in due course with an undoubted right of recovery from C, the certifying bank. The amount having been charged by that bank to A's account, he, of course, is the loser.

If the certified check had been presented for payment by B, the fraudulent holder, some authorities are to the effect that the certifying bank has a right to refuse payment and plead in defense the fraud upon its depositor (see JOURNAL, May, 1914, p. 756; April, 1914, p. 680) but where the check is in the hands of a holder in due course there is an absolute liability on the part of the certifying bank to pay the amount of the check to such holder.

SENDING CHECK DIRECT TO DRAWEE.

A collecting bank which sends a check direct to the drawee for payment does not use due diligence and is liable for any loss resulting.

From Pennsylvania.—"A" bank receiving a check on deposit from a customer sends it to "B" bank for collection. "B" bank having certain intimations that the drawee bank is not sound, declines to handle the item and returns it to "A" bank. "A" bank then forwards it to "C" bank, which forwards the check direct to the bank on which it is drawn. The drawee bank remits their draft to "C" bank, which is dishonored on account of not sufficient funds. "C" bank thereupon charges the amount back to "A" bank, returning the unpaid draft of the drawee bank, stating at the same time that other drafts of the same institution had been previously dishonored.

In your opinion is "C" bank liable for a lack of diligence, they having knowledge of the fact that check of the paying bank had been dishonored.

The Supreme Court of Pennsylvania held in the case of Merchants National Bank v. Goodman 129 Pa. St. 422, decided in the year 1885, that it was not a fulfillment of the proper measure of its duty for a collecting bank to send a check directly to the drawee for payment and that the bank would be liable for any loss resulting. A later case to the same effect is Wagner v. Crook, 167 Pa. St. 259.

It follows from the above that C bank, being negligent in forwarding the draft direct to the drawee, especially when it knew that previous checks of the drawee had been dishonored would be liable for any resulting loss.

USURY LAW OF TENNESSEE.

Usurious interest paid on loan is first applied to principal and legal interest, and until such debt is paid, claim for usury does not arise and action is barred in two years—No statute in Tennessee forbidding corporation from pleading usury.

From Virginia.—Please give us your opinion on the following under the laws of the State of Tennessee: (a) Can a corporation that borrows money on its own note in the State of Tennessee plead usury and if so how many years can it go back to claim such? (b) If an individual gives his note under the Tennessee laws and pays usury on the loan granted to him and later he wants to claim usury charged him on the loan, and he pays interest each year, as the note provides, how many years can he claim back on these interest-usury charges, when he pays the interest (usury) each year? In other words can he, after paying interest (usury) annually on his note in Tennessee, claim for all the years during which he has paid these usurious charges, or can he only claim, as some think, back for the last two years that he has paid this usury?

In some states there are statutes prohibiting corporations from interposing the defense of usury. Such acts in effect repeal the usury laws in so far as they affect loans to corporations of any kind. The Vigilancia, 73 Fed. 452; Binghamton Trust Co. v. Auten, 68 Ark. 299; Hartford Fire Ins. Co. v. Hadden, 28 Ill. 260; Lane v. Watson, 51 N. J. L. 186; Frazier v. Trow's Print. &c. Co., 90 N. Y. 678; Smith v. Isle of Wight Co., 3 N. Y. Suppl. 300; Danville v. Pace, 25 Gratt. (Va.) 1.

There does not appear, however, to be any statute in Tennessee prohibiting corporations from interposing the defense of usury and in the absence of such statute it would seem that a corporation would be at liberty to interpose such defense as freely as a natural person.

You further ask where an individual gives his note under the law of Tennessee, paying usurious interest thereon each year, and after so paying for a number of years, wants to reclaim the usury charged on the loan, whether he can recover the excessive interest paid more than two years back.

It appears under the decisions in Tennessee, that a borrower who pays usurious interest is not entitled in equity to recover anything back from the lender until the principal and legal interest thereon is paid; that the excess of usurious interest will be applied to the payment of the principal sum due. Until therefore the principal sum is by such payments and application satisfied, the borrower cannot recover anything back from the lender and, furthermore, until the principal and legal interest is paid the statute of limitations does not commence to run and would then run only from each several payment. See for example, Weatherhead v. Boyers, 7 Yerg. 545; Threadgill v. Timberlake, 2 Head 395; Wood v. Todd, 3 Baxt. 89; Boyers v. Boddie, 3 Humph. 666, holding that a chancery court will apply the excess of interest which is paid from time to time to the discharge of the principal sum due, and until the excess of interest so applied shall discharge the principal sum due, the borrower is not entitled to recover anything from the lender. The statute of limitations does not begin to run until the principal is thus discharged and the lender becomes indebted to the borrower by such application of the excessive interest.

On April 15, 1903, the Tennessee legislature passed an act providing "That no action shall be brought on any claim for usury after two years from the date of the payment of the debt upon which such claim for usury shall be based; . . ." (Laws Tenn., 1903, Chap. 439).

Relying to your question in the light of the above, there would be no right of action by the borrower to recover the excessive interest paid until after the principal and legal interest have been paid in full; then for the first time the cause of action

would arise and under the statute of 1903 it would be limited to two years from the time of the payment.

The above of course applies to a lender other than a National bank to whom usury is paid in Tennessee. National banks who make usurious loans are subject to the penalties for usury prescribed by the National Bank Act; but I assume your inquiry does not relate to a loan by a National bank.

RENUNCIATION BY HEIR OF INTEREST IN ESTATE PROCURED BY FRAUD.

Opinion that a court of equity would revoke renunciation and enable heir to claim her share of estate — Montana statute of succession.

From Kansas.—An old lady customer of ours had a brother who died about a year ago in Montana, leaving 320 acres of land and other property worth about \$10,000. He left a widow, but no children, or other persons depending on him for support, and it is understood he left no will. The widow wrote to this old lady immediately after the funeral that in order to probate the estate it would be necessary for her to make an affidavit renouncing her interest in the estate. The old lady did this and sent the affidavit to the widow in Montana. Does this bar the old lady from setting up any claim to the estate of her deceased brother, or is she still entitled to part of the estate? If the brother died intestate, without children, how much would the widow inherit, in Montana, and how much would go to his brothers and sisters, or next nearest of kin?

I believe the old lady would not be barred from setting up her claim as heir to land left by her deceased brother, because the affidavit she made renouncing her interest in the estate was made on the fraudulent representation that it was necessary for her to make such affidavit in order to probate the estate. There is an old maxim that fraud strikes down everything and whatever the effect of this affidavit I think a court of equity would cancel it on the ground of fraud.

I have looked into the further question whether an heir can renounce her title by inheritance in such a way without consideration. While the authorities are numerous which hold that an heir may renounce his claim to the succession—in at least one jurisdiction, Louisiana, it being held that one who renounces the succession cannot revoke the renunciation after the other heirs and legatees have accepted the succession (*Hymal's Succession*, 49 La. Ann. 461; *Clauss v. Burgess*, 12 La. Ann. 142)—none of them appear to hold that a good or valuable consideration is necessary to make such renunciation or waiver valid. Natural love and affection might be considered a sufficient consideration for the renunciation, as between the sister and the widow of the deceased, particularly where the former was in opulent circumstances, and the latter was not and the estate was small.

It therefore seems to me that the safer ground on which to base a revocation of the renunciation and a cancellation of the instrument would be that of fraudulent representations by means of which the old lady was induced to execute the affidavit of renunciation.

The Montana statute on succession (descent and distribution), provides as follows: "If the decedent leave no issue, the estate goes one-half to the surviving husband or wife, and the other to the decedent's father and mother in equal shares, and if either be dead the whole of said half goes to the other. If there be no father or mother, then one-half goes in equal shares to the brothers and sisters of the decedent, and to the children of any deceased brother or sister by right of representation. . . . (Rev. Codes Mont., Vol. 1, Tit. VII, Sec. 4820, Sec. 2.)

Of course, an heir may renounce his claim to the succession or waive his rights thereunder. *Kern v. Raunser*, 20 Ky. L. Rep. 1954, holding that heirs, by executing a relinquishment to the widow, for an ade-

quate consideration, of their interest in the ancestor's estate, and permitting her to erect valuable improvements on the real estate, are estopped to claim any interest therein; *Farmer v. Bryant*, 34 N. H. 9; *Carter v. Fowler*, 33 La. Ann. 100.

But in a case like the present where the renunciation had been obtained by a fraudulent representation I think, without doubt, a court of equity would grant relief by cancelling the renunciation which would enable your customer, the old lady, to claim her share of the estate under the Montana statute on Succession. Fraud in its various forms is the most frequent ground for the cancellation of instruments. *Baptiste v. Peters*, 51 Ala. 158; *Barrington v. Ryan* 88 Mo. App. 85.

ENDORSEMENT "ONLY FOR EXCHANGE OF DRAFT TO ORDER OF JOHN DOE."

Character of endorsement, whether restrictive or conditional, discussed—Drawee bank safe in paying check so endorsed, especially where endorsement guaranteed.

From South Carolina.—Please advise your opinion as to form of endorsement below:

"Endorsed only for exchange of draft to the order John Doe."

We have had some of our checks coming in with this endorsement, same being cashed by some local bank, and presumably Exchange being furnished in lieu of the checks, which are then sent through regular channel, being endorsed by paying banks, with usual endorsement guaranteed. There is no other endorsement by Doe than as above. Kindly advise if this form is a good endorsement, and what would be our protection in taking the endorsement. We should add checks are all payable to John Doe.

Whether the form of endorsement by the payee, John Doe "endorsed only for exchange of draft to order of John Doe" be regarded as a "restrictive" or a "conditional" form of endorsement, I think in either case the drawee bank would be safe in making payment especially in view of the guaranty of the endorsement by a responsible bank.

Apparently the payee, desirous of obtaining a bank draft in exchange for the check payable to his order and it not being convenient to effect such exchange in person, intrusts the check to another for that purpose and to guard against a breach of trust by the person intrusted, who, if the check was simply endorsed in blank, might negotiate it for cash and abscond, the payee endorses it as above shown.

Under the Negotiable Instruments Act "an endorsement is restrictive which either prohibits the further negotiation of the instrument or constitutes the endorsee the agent of the endorser or vests the title in the endorsee in trust for or to the use of some other person." And "a restrictive endorsement confers upon the endorsee the right to receive payment of the instrument; to bring any action thereon that the endorser could bring; to transfer his rights as such endorsee where the form of the endorsement authorizes him to do so. But all subsequent endorsees acquire only the title of the first endorsee under the restrictive endorsement."

The Negotiable Instruments Act does not define a conditional endorsement but provides its legal effect as follows: "Where an endorsement is conditional, a party required to pay the instrument may disregard the condition and make payment to the endorsee or his transferee, whether the condition has been fulfilled or not. But any person to whom an instrument so endorsed is negotiated will hold the same or the proceeds thereof, subject to the rights of the person endorsing conditionally."

It would seem that the endorsement in question would hardly come within the definition of a restrictive endorsement as defined by the act unless it be construed as making the endorsee who takes the check a trustee for the purpose of giving a bank draft to the order of the payee. Such form of indorse-

ment, it would seem, might more properly be regarded as a conditional indorsement as it is, in effect, an indorsement by John Doe, not absolutely, but only on condition that he receive therefor a bank draft payable to his order.

If the indorsement is conditional, I think the drawee could safely make payment and disregard the condition and, whether technically a restrictive indorsement or a conditional indorsement, in any event in view of the guaranty by a responsible bank, I think the drawee is sufficiently protected in making payment of checks so indorsed. I think the signature of the payee "John Doe" is sufficiently made in the indorsement quoted without the necessity of further subscribing his name.

CUSTOMER'S CARE OF CHECK-BOOK.

Where customer carelessly leaves his check-book lying around the office, accessible to clerks and a blank check is stolen and forged and paid by the bank, the latter is responsible to its customer for money paid on his forged signature and the carelessness of the customer is not such negligence as will charge him with responsibility.

From Missouri.—A customer of a local bank, whose checks are in loose-leaf form, had stolen from his binder two of the loose-leaf sheets, stubs and all. Before the checks were missed by him, one of them had been filled in and cashed through another bank. These checks bear the firm's card in the corner, and the printed name below for signature, only requiring the signature of one or other of the officers to complete it.

Now, the point raised is whether or not the customer is liable for leaving the check-book where anyone could remove a couple of sheets. There are still five checks outstanding which may show up later. Some seem to think that the firm did not use every precaution in protecting their check-book, and others seem to think that the entire fault is with the bank. If the firm does not use average precaution, are they liable?

I think the customer is not liable to the bank in the case stated.

The rule as to the liability of a bank to one of its depositors upon payment of a forged check has been stated thus: "A bank is presumed to know the signature of its customers, and if it pays a forged check it cannot, in the absence of negligence on the part of the depositor whose check it purports to be, charge the amount to his account." Hatton v. Holmes, 97 Cal. 208; Chicago Nat. Bank v. Pease, 168 Ill. 40; Williams v. Drexel, 14 Md. 566; Armstrong v. Pomeroy Nat. Bank, 46 Ohio St. 512; Seventh Nat. Bank v. Cook, 73 Pa. St. 433.

The general rule, that as between a bank and its customers the payment of forged or altered checks by the bank is made at its peril and cannot be charged against the depositor's account, is not applied unqualifiedly, and is modified to the extent that when some negligent act on the part of the customer has contributed to the payment by the bank, or the facts in a particular case surrounding the forgery of a check and its presentation and payment are of such character as call for the application thereto of some general principle of law or equity, they may be relied on by the bank as an estoppel against the customer, precluding him from denying the correctness of the payment. Otis Elevator Co. v. First Nat. Bank, 163 Cal. 31.

To the same effect is Morgan v. U. S. Mortgage & Trust Co., 208 N. Y. 218, where the rule was laid down that primarily a bank may pay and charge to its depositor only such sums as are duly authorized by the latter, and of course a forged check is not authority for such payment. It is, however, permitted to a bank to escape liability for repayment of amounts paid out on forged checks by establishing that the depositor has been guilty of negligence which contributed to such payments and that it has been free from any negligence.

But while negligence of the depositor may cause an exception to the general rule that a bank is liable to its customer for money paid upon a forgery of his name, it would appear that carelessly leaving his check-book around, accessible to others, is not of itself sufficient negligence to charge him with responsibility. A case directly in point is Mackintosh v. Elliot Nat. Bank, 123 Mass. 393. In that case it was held that a bank which pays out money on a check, purporting to be signed by a depositor, but the signature on which is in fact forged by his clerk, is not, in the absence of evidence that the clerk had, or was supposed by the bank to have, any authority to sign the depositor's name, exempt from liability to the depositor, by proof that the forgery was committed on a blank form taken from the depositor's check-book, which was left lying about in his office during the day; that it was stamped with a hand stamp, sometimes used on his checks, and which was accessible to anyone in the office; that the clerk was allowed to fill up checks, and was introduced by the depositor to the officers of the bank as the person who was authorized to receive money on the depositor's checks.

CORPORATION TAX ON BANK SHARES.

Decisions that bank paying State tax on its shares cannot deduct same from gross income under Corporation Tax Act of 1909 and where such deduction has been made in previous years liability exists to pay additional tax on such amounts on amended return made by Commissioner of Internal Revenue.

From Idaho.—We were recently visited by the Internal Revenue Collector of this district, who demanded that we pay him at rate of one per cent. for County or State taxes which had been deducted from our return to Internal Revenue Collector for the years 1909, 1910, 1911, 1912 and 1913. The additional tax on us would amount to about \$125. In looking over our reports we see where it states plainly enough that this deduction would be allowed and we also remember two or three years ago we received a notice to the effect that this deduction was being contested. Will you kindly advise us what course you would pursue in this matter. Has this case which was in court been finally settled, and are the banks of the country paying this back tax of one per cent.?

Two decisions have been rendered by Federal courts under the statutes of Massachusetts and Missouri, respectively, in both of which it has been held that the bank is not entitled to deduct from its gross income under the Corporation Tax law of 1909, the taxes assessed and paid on its shares of stock.

In Eliot National Bank v. Gill, Collector of Internal Revenue, 210 Fed. 933, it was shown that the Massachusetts statute required the bank to pay the taxes assessed on its shares but gave it a lien on the shares and interest of the stockholder for the amount paid. It was held that such taxes being clearly imposed upon the shareholder and not upon the bank or its property, the bank was not entitled to deduct the amount so paid from its gross income. In that case the Commissioner caused to be made an amended return and assessed an additional tax for the years 1909, 1910 and 1911 upon the amounts of taxes paid in those years upon the bank shares which had been deducted from the original gross income in the original returns and the court considered the question whether the Commissioner of Internal Revenue was vested with authority to amend the original returns of the bank and assess additional taxes thereon for such years, he not having discovered the error in the returns until after the taxes assessed on those returns had been paid. The court held that under the provisions of the Act of 1909 which authorizes the Commissioner in case a return made by a corporation is "false or fraudulent" to amend such return at any time within three years and assess and collect the correct amount of the tax, an incor-

rect return is "false" although made in good faith under a mistake of law and the Commissioner has power to amend such a return even after the tax under the original return has been paid. The provision being that in case of such false or fraudulent return the Commissioner shall make an amended return "upon the discovery thereof at any time within three years after said return is due" the correct assessment is not required to be made within the three years. The court said: "The defendant also contends that the additional assessment for the year 1909 is invalid, for the alleged reason that it was not made within three years from March 1, 1910, when the return for the year 1909 was due. This contention is without foundation. The statute does not require the additional assessment to be made within the three-year period. The limitation is upon the discovery of the error by the commissioner within the three years and not upon the making of the additional assessment. But however this may be, the additional assessment in this instance was made within three years from March 1, 1910, for that date is to be excluded in computing the time fixed by the statute."

In *National Bank of Commerce v. Allen*, Internal Revenue Collector, 211 Fed. 743, decided March 16, 1914, the Missouri statute imposed a tax on bank shares and required the tax to be paid in the first instance by the bank but gave the bank the right to recover the same from the owners or deduct it from dividends accruing on the shares and also gave the bank a lien on the shares for its reimbursement. It was held that taxes assessed on the shares of the bank and paid by it under the Missouri statute were not taxes assessed against the bank which it was entitled to deduct in determining its net income for the assessment of corporation taxes under the Corporation Tax Act. In this case the court after quoting the provisions of the Missouri statute said: "Section 38 of the act of Congress, approved August 5, 1909, contains, among others, the following provisions:

"Sec. 38. That every corporation . . . shall be subject to pay annually a special excise tax . . . upon the entire net income over and above \$5,000 received by it from all sources during such year. . . . Second. Such net income shall be ascertained by deducting from the gross amount of the income: . . . (1) All the ordinary and necessary expenses actually paid within the year out of income in the maintenance and operation of its business and properties. . . . (4) All sums paid by it within the year for taxes imposed under the authority of the United States or of any State."

"It is upon this latter provision, I take it, that the plaintiff chiefly relies. Can it be successfully claimed that the tax imposed by the State upon the shareholders of a bank is in any wise a tax imposed upon the bank itself? True, the bank is required to pay (i.e., advance) the amount of the tax, but it is given a lien upon the shares of stock and all dividends thereon, until it is fully reimbursed by the shareholder. The shareholder is not allowed to get a transfer of his holdings so as to cut the bank out of its lien. The Supreme Court of Missouri, in the case of *State ex. rel. Campbell v. Brinkop*, 238 Mo. 298, 143 S. W. 444, convincingly says:

"Under our statute, stock in a bank, federal or State, is assessed against the shareholder, but the tax is paid in the first instance by the bank, and the bank is reimbursed by the shareholder. That is merely a mode of convenience in collecting the tax; the effect is the same as if the shareholder paid it in the first instance."

"The plaintiff had no right to deduct from its gross income the taxes assessed against its shareholders under the State statutes. By doing so it did not correctly state its net income, and for that reason the Commissioner of Internal Revenue acted well within his rights and duties in making the assessments complained of in plaintiff's petition. In reach-

ing the conclusion above stated, the court is well supported by the decision of the United States District Court of Massachusetts, in the case of *Eliot National Bank v. Gill*, 210 Fed. 933, recently decided."

The above, so far as I know, are the only decisions which have yet been rendered upon the right of a bank to deduct from its gross income the amount of taxes paid on its shares, and in both cases the right has been denied. Unless the statute of Idaho is materially different, it would seem your bank is liable for the additional one per cent. upon the amount of taxes paid on shares and deducted from gross income. In the two cases above referred to the banks paid the additional taxes under protest and then sought to recover them which was denied. You have not yet paid the additional tax demanded and when you do so, it would probably be well to pay same under protest to save any possible rights. Of course this question has not been finally passed upon as yet by the Supreme Court of the United States.

CHECK TO IMPERSONATOR.

Where savings bank receives by mail from an impostor a depositor's book and forged order and mails to the impostor a check payable to its depositor, which the impostor endorses to a bank which collects and pays the proceeds to the impostor, questions considered (1) whether check endorsed by precise person intended by drawer to receive payment; (2) whether drawer chargeable by reason of negligence; (3) whether collecting bank appeared as agent so as to escape liability after payment of proceeds to impostor.

From Ohio.—A party had a savings pass book with a Lorain, Ohio, bank. This pass book and an order for part of the funds was presented by a party at the Lorain bank but as the signature did not correspond exactly and they did not know the party presenting same, payment was refused. A few days later the same book was mailed to Lorain with a letter requesting payment of the full amount due on the book. The signature to this order or letter was a forgery, but Lorain claim the signature compares fairly well with the one they have on file, but admit same to be a forgery. The letter of instructions requested that check be mailed to General Delivery, Akron, Ohio, which was not the address of the owner of the book, and Lorain mailed their draft on their Cleveland correspondent payable to the name of the owner of the pass book to the address requested, and the party securing same presented the draft to our teller (bank at Akron) and was identified as the proper party by a woman known to the teller and the draft was taken for collection only and endorsed for collection and forwarded direct to the Cleveland bank for payment, and payment was made by Cleveland bank New York draft, after deducting a small collection charge. Upon receipt of funds same were paid to the party who had previously been identified as the proper party.

The Lorain bank having issued their draft in the name of the right person on a forged order and mailed it to the party who committed the forgery at the address he requested and the party to whom they mailed it, having received it and been identified and the money paid to him, we feel that they should be the losers in the transaction. Are they the losers or are we liable on our endorsement of the draft?

In considering the responsibility for the loss as between your bank in Akron which collected the draft and the Lorain bank which drew the draft, the first question (1) is whether the endorsement of the payee is to be regarded as a forgery or by the precise person intended by the drawer to receive payment. Then, if it be deemed a forgery, the further question (2) becomes important whether the drawer was guilty

of any act which would estop him from asserting the forgery and (3) assuming the drawer has a right of recovery of money paid on a forged endorsement, did the back of the draft show that the Akron bank which collected it for the forger was a mere collecting agent or did such bank, although in reality agent, appear as principal?

Upon the first question there is a line of cases to the effect that where an impostor fraudulently impersonates another person and thereby induces a third person to draw a check, designating the payee by the name of the person impersonated, and to deliver the check to the impostor in the belief that such impostor is the person impersonated and the impostor endorses the check in the assumed name and negotiates it for value or receives payment from the drawee bank, the purchaser in the one case takes title and can hold the drawer or if the drawee has paid the check it can charge the amount to the drawer. These cases mostly go on the theory that the check has been delivered to the precise person intended by the drawer to receive payment, although the drawer was deceived, hence the endorsement of such person is not a forgery and he can convey good title, or the theory may be, assuming the forgery, the drawer in the language of the Negotiable Instruments Act is "precluded from setting up the forgery or want of authority" to endorse the check. A citation of these cases may be useful to you. U. S. v. Nat. Exchange Bank, 45 Fed. 163; Meyer v. Indiana Nat. Bank, 27 Ind. App. 354; Hoffman v. American Exchange Nat. Bank, 2 Neb. (Unof.) 217; Metzger v. Franklin Bank, 119 Ind. 359; Maloney v. Clarke, 6 Kan. 82; Emporia Nat. Bank v. Shotwell, 35 Kan. 360; First Nat. Bank v. Amer. Exchange Nat. Bank, 170 N. Y. 88; Land Title & Trust Co., v. Northwestern Nat. Bank, 196 Pa. 230.

In Maloney v. Clarke, for example, an impostor in Leavenworth, Kansas, assumed the name of Daniel Maloney, and, through an agent wrote to a brother of Daniel in Cincinnati to send him all the money he could spare. The brother purchased bank drafts payable to "Daniel Maloney" and mailed to the impostor by whom they were endorsed in the name of Daniel Maloney and cashed by Clarke, a banker, after the impostor had been identified as Daniel Maloney. It was held that Clarke, the purchaser of the drafts of the impostor was not liable to the brother who forwarded the drafts. They had been negotiated by the precise person intended to receive the money. This case is sufficiently typical.

In the case you present the Lorain bank, dealing with an impostor believing that he was their depositor, mailed to the impostor a draft payable to the depositor which the impostor indorsed in the depositor's name and, upon being identified, the Akron bank took the draft for collection and paid over the proceeds to the impostor. The facts of this case would seem to bring it within the reasoning and conclusion of the cases above cited, namely that the Lorain bank intended the impostor to receive the money, being deceived as to his identity and therefore his endorsement of the check was not a forgery, but by the precise person intended or, if a forgery, the drawer would be precluded from setting it up so that in either event, the Akron bank would be protected.

There is, however, an old Ohio case, Dodge v. Bank, 30 Ohio St. 1, wherein a different result was reached. Frederick B. Dodge of Toledo owned a government certificate of indebtedness which he mailed to the paymaster at Cincinnati, requesting a check. The certificate was stolen from the mail and presented by the thief, representing himself to be Dodge, to the paymaster at Columbus. The paymaster refused to pay unless the holder would identify himself as Dodge, but when told that he could iden-

tify himself at the bank, the paymaster gave him his check payable to Frederick B. Dodge, which the impersonator endorsed in Dodge's name, and received payment by the bank. The real Dodge sued the bank which was held liable, having paid the check on a forged endorsement of the payee's name. The court said there was no foundation for the claim that the check was paid to the person whom the drawer intended it to be paid and whom he designated as Dodge, because the check was delivered to this person only on his assurance that he would identify himself as Dodge at the bank. The intention was to order payment to Dodge the owner of the voucher, and it was left to the bank to identify the holder of the check, as Dodge. The bank relying on a false representation, was deceived, and paid this money to the impersonator. Not having paid the real payee or his order, it was liable to him.

This case may be distinguished from the other of the impersonator cases above cited in the fact that while the drawer gave his check to the impostor payable to the name of the man impersonated, the drawer was not sure the impostor was the right man and did not intend that the bank should pay him unless he could identify himself as the right person at the bank. In the other cases cited, and the same is also true I believe in your case, the drawer dealt with the impersonator believing he was the man impersonated and with the intention that the impostor to whom the check was sent should receive the money.

The above would indicate that the Akron bank would have fair ground for defending against liability to the Lorain bank.

A further consideration of non-liability is whether aside from the foregoing, the drawer would be otherwise estopped from setting up that the check was paid on a forged endorsement. It seems that a few days before the passbook was received and the check mailed, the book had been presented and payment refused to the person presenting because the signature to the order did not correspond and the person presenting was a stranger. This coupled with the fact that a few days later, the book was mailed from a city other than the depositor's residence with request that a check be sent to him addressed to general delivery at such city, might give ground for a contention that the bank had not used due care in issuing this check.

Finally where a check has been collected upon the forgery of a payee's endorsement, there is a line of cases to the effect that where the collecting bank appears on the check as a collecting agent, it is not responsible to the payor after it has paid over the proceeds to its principal. Your bank took this check for collection but you do not state whether or not the endorsement to you by the impostor was for collection. If it was, there would be no liability to refund after payment over of the proceeds to your principal, assuming you did not expressly guarantee the endorsement even if the endorsement was held a forgery and the drawer not estopped from asserting that fact. But if your bank appeared as principal there would be nothing in this point.

The above, of course, is a mere outline, which may be useful as suggestive of your bank's position on the question of liability. On the whole situation it would seem that your bank would have a fair case for denying liability to the Lorain bank, drawer of the check, or to the Cleveland bank, drawee, which paid the check. Of course where a drawee bank has paid such a check to a purchaser in a case where the drawer is estopped to deny the validity of the payment, since the drawer has no claim against the drawee bank, the latter has none against the purchaser. Land Title etc., Co. v. Northwestern Nat. Bank, 196 Pa. 230.

PROTECTIVE DEPARTMENT

L.W. GAMMON

MANAGER

OFFICES OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

CALIFORNIA, LOS ANGELES.—Walter P. Story Building.
CALIFORNIA, SAN FRANCISCO.—First National Bank Building.

COLORADO, DENVER.—First National Bank Building.
GEORGIA, ATLANTA.—316 Healy Building.
ILLINOIS, CHICAGO.—First National Bank Building.
LOUISIANA, NEW ORLEANS.—Whitney Central Building.
MARYLAND, BALTIMORE.—Munsey Building.
MASSACHUSETTS, BOSTON.—201 Devonshire Street.
MICHIGAN, DETROIT.—Dime Savings Bank Building.
MINNESOTA, MINNEAPOLIS.—McKnight Building.
MINNESOTA, ST. PAUL.—New York Life Building.
MISSOURI, KANSAS CITY.—Midland Building.
MISSOURI, ST. LOUIS.—704 Title Guaranty Building.
NEW YORK, BUFFALO.—White Building.
NEW YORK, NEW YORK CITY.—Woolworth Building.

OHIO, CLEVELAND.—Rockefeller Building.
OREGON, PORTLAND.—Yeon Building.
PENNSYLVANIA, PHILADELPHIA.—New Stock Exchange Building.
PENNSYLVANIA, PITTSBURGH.—Commonwealth Building.
TEXAS, HOUSTON.—Union National Bank Building.
WASHINGTON, SEATTLE.—Hinckley Block.

FOREIGN OFFICES OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

CANADA, MONTREAL.—501 Transportation Building.
ENGLAND, LONDON, W.—Crown Chambers, 5 Regent St.
FRANCE, PARIS.—6-17 Rue Auber.
BELGIUM, BRUSSELS.—4 Passage des Postes, No. 6
Boulevard Anspach.

CORRESPONDENT OF THE WILLIAM J. BURNS INTERNATIONAL DETECTIVE AGENCY, INC.

IOWA, DES MOINES.—The Gus. J. Patek Detective Agency,
515 Mulberry Street.

THE following is a report for the month of May, 1914, pertaining to the work of the Protective Department:

WARNING.

It would be well for our members to read the articles concerning L. M. HUNTER, which were published in the JOURNAL-BULLETIN, February, 1911, page 474; June, 1911, page 743; May, 1912, page 696; September, 1912, pages 133 and 185; April, 1913, page 681; May, 1913, page 769.

Hunter, who has operated under the names of J. Colby Harrington, John C. Huntington, George R. Salisbury, C. C. Clawson, A. J. Howard and A. C. Curtis, was released from the Western Penitentiary of Pennsylvania on April 14, 1914. He is now living in Pittsburgh, Pa., and undoubtedly will resume his criminal operations. His photograph was reproduced in the May, 1913, issue on the page mentioned in the foregoing.

A letter of introduction which was signed "John Feagin" and stated that JIM ELMORE owed the writer a certain amount and that anyone who would pay the indebtedness could hire the man, was presented by a negro to D. M. McNeil, a farmer living near Georgiana, Ala.

McNeil needed help and hired the negro. He gave Elmore a check made in favor of Mr. Feagin for the amount mentioned in the letter. Elmore said that his former employer lived at Bay Minette, Ala., and that after delivering the check he would return to the McNeil farm.

The negro went to Georgiana, and after indorsing the name of John Feagin on the back of the check, cashed it at a bank member. An investigation developed that "John Feagin" didn't live at Bay Minette.

Elmore is described as follows: Age, about 40 years; height, 6 feet; weight, 185 pounds; build, medium; small mustache; one front tooth out of upper jaw; had very large feet. Wore overalls, a blue coat and black slouch hat.

Forging the name of his employer to two checks for small amounts, THEODOR FISHER, a tailor, managed to defraud a bank member of the California Bankers' Association, at Brea, Cal. The forged signatures looked so genuine that the crime was not discovered until some time later when Fisher had disappeared.

Description: Age, about 35 years; height, 5 feet 10 inches; weight, 190 pounds; build, large; hair, dark;

complexion, ruddy; smooth shaven; nativity, Polish; does not use tobacco, but drinks and gambles. A copy of Fisher's handwriting is reproduced below:

Theodor Fisher

Member banks, especially those on the Pacific Coast, should be on their guard and notify the nearest office of our detective agents in case they hear anything regarding the whereabouts of this criminal.

Representing himself as a prospective real estate purchaser, a party using the name of J. ELLIS COWDEN, recently defrauded a membership bank at Garden Grove, Cal., through means of a forged endorsement to a draft which he evidently stole from the rightful owner thereof.

Members in general are warned to be on the lookout for this man, who is described as follows: Age, 26 to 28 years; height, 5 feet 8 inches; weight, 150 pounds; hair, dark; complexion, dark; wore brown suit of mixed goods, derby hat.

The California Bankers' Association is co-operating with this Association toward bringing about the apprehension of this individual.

Posing as a partner of J. D. Alberga, an automobile dealer of San Francisco, Cal., JACK THOMAS, alias Thorndyke, succeeded in defrauding a member bank of that city by forging chattel mortgage notes.

After Thomas' flight this forgery was discovered, and it was found that he had defrauded several other persons.

Thomas is described as follows: Age, 32 years; height, 6 feet 3 inches; weight, 192 pounds; complexion, dark; hair, dark brown; smooth shaven. Has lump, size of small walnut, over right eye. The California Bankers' Association is co-operating with this Association in an effort to bring about the arrest of this party.

A member bank of Marshalltown, Ia., reports the operations of a forger using the name of P. R. COOKE, who forged the name of the president of the Marshall Oil Co., to a check. We have also been advised that a member bank of Albert Lea, Minn., also cashed a check passed by the same forger. It is stated that Cooke was previously a bookkeeper for the Marshall Oil Co. The Iowa Bankers' Association is co-operating with this Association in an effort to apprehend this criminal.

F. A. BRAUN, bookkeeper for a bottling company at Cairo, Ill., on April 10, 1914, drew two checks on a membership bank at Cairo, both bearing the forged signature of the company, which he had cashed at the bank. On April 22, 1914, he disappeared. His employers discovered the forged checks when they checked up their books at the end of the month.

Braun is an expert accountant, and will probably seek employment in his line soon. He is thought to be from San Antonio, Tex., and is described as follows: 28 years old; 5 feet 10 inches tall; weighs 140 pounds; slender build; clear complexion; large hazel eyes; medium brown hair combed straight back, very heavy; smooth shaven; dresses well; wears glasses when at work. Below we reproduce signature of Braun.



On the afternoon of May 18, 1914, a responsible firm of Chicago, Ill., received a telephone call from what purported to be a firm directly across the street, asking for the manager, to whom this individual stated that he was the manager of the store directly across the way, and laughingly told him that he had overlooked a bet and was a little short on his payroll, and asking the firm to whom he telephoned if they would cash a forty dollar check for him. This the opposite firm readily consented to. A few moments thereafter, a man in his shirt sleeves and bare headed presented a check for forty dollars, signed by the firm across the way, drawn on a member bank of Chicago. A protectograph was used. However, no effort was made to imitate the signature of the party supposed to sign the check. This forger evidently depended entirely on the appearance of the check and his preliminary work. It is very evident that the same person also operated by the same method, telephoning to a big mercantile company, who cashed his check in the sum of sixty dollars, the check being stamped with the protectograph and bearing the name of the company whom he was purporting to represent. This man is remembered by the employees of this company, and that he came into their place, requesting the use of the telephone. His description is furnished as follows: Age, 50 years; height, 5 feet, 9 or 10 inches; weight, 145 to 150 pounds; build, slender; hair, gray; beard, stubby; gray mustache; sharp nose.

A bogus check operator using the names of JOSEPH N. HARDY, Dr. N. S. Hardy, Dr. William O. Hardy, O. Schaffer and Paul C. Holly, is reported by a member bank of the city of Chicago, Ill.

This swindler appears at the homes of people having rooms for rent, tendering bogus checks in payment for from one to three months' rent in advance and securing the difference in the amount of the check and the amount of the room rent in cash, which amounts vary from \$10 to \$25. Recently it is alleged that this same person who poses as a doctor robbed the flat of Mrs. McConnell, 4400 Sheridan Road, of \$1,100 worth of jewelry. It is also said that he secured a check book belonging to Mrs. Etta McConnell on the Sheridan Trust & Savings Bank. He has succeeded in defrauding a number of persons by the use of these bogus checks. However, no bank member has sustained a loss. He is described as follows: Age, 35 years; height, 6 feet; weight, 185 pounds; hair, black; black mustache; neat dresser; talks with a slight lisp.

The operations of a woman forger employing the names of Mrs. JAMES E. JORDEN, Mrs. James E. Gordon, and Mrs. Allen, are reported by a member bank of Chicago, Ill. This woman has succeeded in having a number of bogus checks cashed, and is de-

scribed as follows: Age, 35 years; height, 5 feet 5 inches; weight, 140 pounds; hair, blonde; complexion, light; prominent nose; slovenly and dirty; wore long gray coat; usually wears no hat and has a child about three years of age in a buggy with her at all times.

This woman has succeeded in cashing several checks for \$25 each. No bank has been injured in this matter, the loss falling on business men.

We are in receipt of information from a member bank at Dunlap, Ill., advising of the operations of WILLIAM BARNES, whose mode of operations was as follows: After appearing at the town he would look over a farm, secure an option on same and in this instance gave a check for \$250. Although no money was given, he took a receipt from the real estate man with whom he was dealing. It developed that the check for \$250 was worthless.

A member bank in Des Moines, Ia., reports the operations of a man named L. W. HILL, who passed a bogus check for a small sum on them recently. The Iowa Bankers' Association is co-operating with this Association in bringing about the apprehension of this criminal.

Having obtained a subscription book of the Class Journal Company, FRED ALBRIGHT is soliciting subscriptions for the Motor Age. It is alleged that he is appropriating the subscription money for his own use. Recently he received a check for a subscription and endorsed the name of the Class Journal Company on same. The check was honored by a bank member at Marshalltown, Ia. This Association is co-operating with the Iowa Bankers' Association in an effort to bring about the apprehension of this man.

HOWARD BROOKS, a harness maker, who formerly lived in Hillsdale, Kan., recently left his family, went to Kansas City and circulated a number of worthless checks in that city.

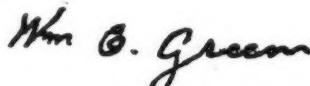
Brooks is described as follows: Age, 40 years; height, 5 feet 5 inches; weight, 145 pounds; eyes, blue; hair, dark; sandy mustache; is very active and alert in his movements.

He formerly carried an account in a membership bank at Hillsdale, but has no money there now with which to meet the checks which he has been issuing through the country, and the banks should be on their guard against honoring same. Tracing of his signature appears below.



A negro named WM. E. GREEN recently endeavored to open an account at a membership bank in Topeka, Kan., with a worthless check in the sum of \$300, drawn on a bank at Winfield, Kan., to which the name of one of their depositors had been forged. The bank took this check for collection, giving him a receipt for it. The negro evidently thought he would get a pass book, and on failing to do so never returned to the bank for money.

The negro is described as follows: Age, 30 years; height, 5 feet 7 or 8 inches; weight, 180 pounds; build, good; complexion, brown; fairly well dressed and claimed to be a postal clerk, working out of Kansas City. A specimen of his handwriting appears below.





WILLIAM E. BURTON.

Representing himself as a United States Secret Service Agent, WILLIAM E. BURTON, whose photograph is reproduced above, is alleged to have swindled many persons in the vicinity of Hibbing, Minn., with worthless checks.

Burton is described as follows: Age, 24 years; height, 5 feet 10 inches; weight, 150 pounds; build, slim; complexion, light; hair, brown; blue eyes; smooth, shaven; occupation, locomotive engineer. Talks with laugh, is very forward and wore a brown suit, dark gray telescope hat, stamped on inside "Mack Clothing Co."

A worthless check was passed on a bank member at Detroit, Mich., on May 1, 1914, by a woman who gave her name as LAURA MCKORN, the check being payable to Laura McKorn and signed by Fred R. Holmes, she claiming that it was given to her by her employer for services rendered.

This woman is described as follows: Age, 22 years; height, 5 feet 4 inches; weight, 120 pounds; blonde and rather good looking. Wore a large hat, dark blue suit and had gold crown in front of mouth. Below we reproduce her signature.

Laura McKorn

Members are warned against the operations of L. H. MORGAN, who has been traveling through the middle west passing checks drawn on a bank member at Minneapolis, Minn. So far his operations have been confined to hotels and merchants. He is described: 5 feet 10 inches tall; weight, 130 to 140 pounds; light hair, blue eyes; claims to be cartoonist for the Chicago Tribune. He is accompanied by his wife, who is about 5 feet tall; weight, 80 to 100 pounds; black hair; black eyes.

A party using the name of GEORGE W. SCHOENBECK has been defrauding merchants in St. Paul, Minn., by bogus checks drawn on a bank member of St. Paul, and signed by himself. Schoenbeck is 22 to 23 years of age; about 5 feet 8 inches tall; weight, 140 pounds. Has dark hair and eyes; light complexion.

R. E. WILSON is wanted in Independence, Mo., for forgery committed there November 13, 1914, having signed his brother's name to a check, which was cashed by a bank member.

Wilson is described as follows: Age, 32 years; height, 6 feet; weight, 150 pounds; build, slender; eyes, large, widely separated; high forehead.

JOHN P. FLEMING recently appeared in Kansas City, Mo., and passed some forged checks on merchants there. This man is described as follows: Age, 35 years; height, 6 feet; weight, 175 pounds; build, medium; hair, black; small stubby mustache; speaks with a German accent.

A Kansas City, Mo., store was recently victimized by a man using the name W. GOLDMAN, who presented a check drawn on a membership bank in Boston, Mass., in the sum of \$23.40, in which he made a small purchase and received the balance in cash. Goldman is described as follows: Age, 30 to 35 years; height, 5 feet 7 inches; weight, 145 pounds; build, medium; complexion, fair; hair, dark; wore glasses; speaks with English accent and is a very good dresser.

JOHN HANSON is the name used by a swindler who purchased a handbag at a leather goods store in Kansas City, Mo., for which he paid with a bogus check drawn on a bank at Columbia, Mo. Hansen is described as follows: Age, 45 years; weight, 155 pounds; neatly dressed; smooth face; dark hair and wearing a I.C.M.A. pin on his coat.

Pacific Coast members should be on their guard against the operations of J. H. McLEAN, who is drawing bogus checks on a bank member at Great Falls, Mont. He passes these checks on merchants.

McLean is described as being about 33 years of age; weighing about 200 pounds; has light complexion; is a neat dresser and looks quite boyish. His wife is traveling with him.



J. W. MAYBRIGHT.

We reproduce above a picture of J. W. MAYBRIGHT, alias Mark Waybright, who, under the name of H. J. Wilson, swindled a membership bank in Kansas City, Mo., by means of forged checks stolen from a local undertaking establishment, which were passed at various saloons in Kansas City, Mo.

Our detective agents are endeavoring to locate this man, who is also a parole violator from the State Penitentiary at Lansing, Kan., to which institution he was sentenced December 3, 1912, from Kansas City, Kan., for forgery.

He is described as follows: Age, 29 years; height, 5 feet 10 inches; weight, 142 pounds; build, medium; eyes, gray; complexion, light; hair, light auburn.

A well dressed, good appearing man evidently well posted on conditions in New Mexico and the Southwest, and who represented himself as a salesman for a live stock and land company located in that section, recently defrauded a member bank in Ashland, Neb., on a draft purporting to be drawn by a member bank in Artesia, N. M., on a bank member in New York City. This party, who has used the names of G. F. HESS, H. B. Morgan and H. A. Langley, has also operated in Celina and Urbana, Ohio. He has used drafts purporting to be drawn by a non-member bank in Paintsville, Ky., on a member in New York City, also drafts purporting to be drawn by a non-member bank in Cairo, W. Va., on a member bank in New York City.

Description: Age, about 45 years; height, 5 feet 5 inches; weight, about 140 pounds; eyes, light; complexion, sandy; hair, dark red; small reddish mustache; well dressed and of good appearance. Is rather quick and apparently has a slight nervous affection of the chin. A specimen of his handwriting appears below.

Bogus checks for amounts up to \$10 are being drawn on a bank member at Asbury Park, N. J., by a party using the name of A. B. INGLING. These checks are being passed in New York City, New Jersey and the eastern part of Pennsylvania, but so far the victims have been merchants and hotel keepers.

Obtaining a pocket check book of a bank member at Paterson, N. J., a man signing the names JAMES C. PARSONS and James Parson, is drawing bogus checks and passing them on business concerns in various parts of the country. It will be well for members to be on the lookout for these checks which are made payable to Charles Hoffman. This operator's right name is Harry Beards, and his description is published on page 521 of the January, 1914, JOURNAL-BULLETIN.

Representing himself as LEE McALLISTER, of 1066 Madison Avenue, Albany, N. Y., a party opened an account with a member bank in Albany, N. Y., a short time ago and after making two small cash deposits he presented for his credit a check drawn on another bank member in Albany, which check was later discovered to be bogus. McAllister, however, managed to draw against the account and make his escape before the crime was discovered. His description is as follows: Age, 30 to 35 years; height, 5 feet 7 inches; weight, 150 to 160 pounds; build, stocky, broad shouldered; hair, light; complexion, light; smooth shaven. When last seen was wearing a dark blue serge suit, stiff straw hat. A sample of his handwriting is shown below.

We believe this to be the same party mentioned in this issue as J. D. Anderson, who defrauded a member bank in Columbus, O.

Claiming that he had secured a position at a local hotel as bell boy, a young man named W. BRENNAN presented a bogus check at a bank member at Buffalo, N. Y., on May 16, 1914. This young man is described as being: Age, 23 to 25 years; height, 5 feet 6 inches;

weight, 135 pounds; build, medium; complexion, light; smooth shaven; has sharp pointed features; occupation, bell boy and elevator conductor.

After purchasing a bill of groceries, a man using the name of THOMAS GRANT succeeded in passing a bogus check on a Buffalo, N. Y., storekeeper. Later word was received by our detective agents that this swindler uses the names of Thomas Grant, Thomas Martin, Howard Murray, Sr., and Howard Keilly, Sr.

When EDWARD EGAN was taken into custody at Hamburg, N. Y., July 10, 1913, it was learned that he was working with a man, whose name he did not know, but as he uses the name of Sr., when signing checks and as the description is identical with that of Thomas Grant, there is little doubt but what he is the same man. Grant is described as follows: Age, 35 years; height, 6 feet; weight, 160 to 170 pounds; complexion, dark; hair, light brown; eyes, dark.

His mode of operations is to call at a grocery store, where he purchases a bill of goods, tenders a bogus check in payment and receives the balance in cash.

Using the name of JOSEPH S. RAY, a party is drawing bogus checks on a bank member at East Hampton, N. Y. The member reports that they have no such account and Ray is unknown to them. Two of these checks were passed at a hotel in New York City.

Ray is described as follows: Age, 28 years; height, 5 feet 7 inches; weight, 135 pounds; complexion, dark; hair, brown; occupation, theatrical. A specimen of his handwriting is reproduced below.

After stealing some blank checks from his employers, a clerk named HERMAN D. B. KREVITS, alias Krevitz, then forged his employers' signature to several checks, one of which he cashed at a member bank in New York City. Later Krevits' overcoat with some letters intended to create the impression that he had committed suicide were found on the outskirts of New York City.

Krevits is described as follows: Age, 19 years; height, 5 feet 5 inches; weight, 120 pounds; build, slender; complexion, light; hair, light brown; eyes, grayish blue; smooth shaven. Wears his hair pompadour; wears glasses. Member banks should be on their guard against this criminal.

M. L. COTTER described as follows: Age, about 47 years; height, 5 feet 11 inches; weight, 200 pounds; complexion, dark; hair, thick gray; eyes, large dark; smooth shaven; rather prominent nose; heavy eyebrows and slightly stooped shouldered, is wanted in connection with a check bearing a forged endorsement which he passed on a bank member in Syracuse, N. Y., recently.

A hotel and saloon porter known as FRANK MILLER is wanted in connection with a bogus check which he cashed at a member bank in Cleveland, Ohio, after having forged the signature of his employer as an endorsement.

Miller is described as follows: Age, 30 years; height, 5 feet 10 inches; weight, 145 pounds; build, slender; hair, light brown; complexion, medium light; smooth shaven; prominent jaw bones.

Any information concerning the whereabouts of a bogus check operator using the name HORACE A. WENDELL, who attempted to defraud a member bank in Cleveland, Ohio, recently, should be communicated to the nearest office of our detective agents. The only description obtainable of Wendell is that he is between 22 and 25 years of age and was fairly well dressed.

A party giving his name as J. D. ANDERSON defrauded a member bank in Columbus, Ohio, by means of bogus checks drawn on another bank member in Columbus. Anderson deposited a small amount of cash in addition to three bogus checks for amounts ranging from \$60 to \$180, and succeeded in drawing against the account before a return was received from the bank on which the checks were drawn. The following is the best description so far obtainable of J. D. Anderson: Age, 35 years; height, 5 feet 7 inches; weight, 150 pounds; complexion, light. When last seen wore soft hat and light colored suit of clothes. We believe this to be the same operator who used the name of Lee McAllister in Albany, N. Y., as mentioned elsewhere in this issue. A sample of his handwriting is shown below:

J. D. Anderson



DAN ANTON.

It was discovered by a member bank of Fremont, Ohio, that a check had been stolen from a customer's pass book, which was presented at the bank, the amount of the customer's savings being withdrawn. DAN ANTON is accused of being the criminal wanted in this case. A warrant for his arrest is in the hands of the sheriff at Fremont, Ohio, an indictment having been found against him for this offense.

A bogus check was recently paid by a bank member at Philadelphia, Pa. The party who passed the check used the name of WILLIAM R. MOORE. Moore is described as follows: Age, about 30 or 33 years; height, 5 feet 3 inches; weight, 130 pounds; hair, dark; eyes, dark; complexion, dark; extremely large mouth; talks slight Cockney accent. A reproduction of this operator's handwriting appears below.

W R Moore



FRANK G. HOHL.

Four hundred dollars reward is offered by the authorities for the arrest and delivery of FRANK G. HOHL, alias Frank Carroll, to the Hollidaysburg, Pa., jail.

Hohl escaped from the jail on April 11, 1914, while awaiting trial on a charge of holding up the cashier of a non-member bank at Altoona, Pa. In addition to stealing a sum of money he shot the cashier and a customer of the bank.

Hohl is described as follows: Age, 29 years; height, 5 feet 7 1/4 inches; weight, 146 pounds; build, medium; complexion, medium fair; eyes, green slate; hair, brown; smooth shaven; occupation, machinist. Bertillon Measurements: Hgt., 70.6; O.A. 76.0; Tr. 94.5; H.L. 18.9; H.W. 14.8+; C.W., 14.1; R.E. 6.7+; L.Ft., 25.9; M.F., 12.0; L.F., 9.5; F.A. 46.5.



LOUIS BAUMER.

A bogus check issued by LOUIS BAUMER was paid by a member bank of Charleroi, Pa. A warrant has been issued for Baumer. Baumer is described as follows: Age, 29 years; height, 5 feet 6 inches; weight, 165 pounds; build, medium; eyes, brown; hair, dark brown; smooth shaven; speaks with German accent. When last seen wore dark gray fedora hat and light gray suit. A specimen of his handwriting is reproduced below.

Louis Baumer

MRS. G. E. JOHNSON, alias Mrs. J. Ross, alias Mrs. J. A. Smith, alias Mrs. Williams, recently defrauded two member banks in Oklahoma City, Okla., out of small amounts by means of checks to which she had forged the signatures of women customers of the banks. This woman is described as follows: Age, 30 years; height, 5 feet 7 inches; weight, about 130 pounds; complexion, medium; hair, medium brown; eyes, dark; face rather long; not a very good dresser, but not slovenly looking. When last seen wore a small round black hat, light colored skirt with lace trimming around near the knees. A sample of her handwriting is shown below.



Fifteen blank checks were stolen from the printing office of Beattie & Hoffman, Portland, Ore. These checks were made out in amounts ranging from \$1.40 to \$5.75, and were cashed at saloons, stores and banks in Portland between April 1st and April 15th, 1914. These checks bore the forged signature of Byron J. Beattie, Mgr., of the Beattie & Hoffman Printing Company, and were made payable to the following names: R. RAPHAELS, D. C. Cane, D. Donati, C. Case, D. C. Stone, D. C. Lane and D. C. Case. The Oregon Bankers' Association is co-operating with this Association in an effort to bring about the arrest of this man.

The forger is described as follows: 28 years of age; 5 feet 9 inches tall; weight, 175 pounds; hair, light brown; eyes, gray; smooth shaven; build, heavy-set; wore brown suit, black sateen shirt, light tie and soft brown hat. He is believed to be an Italian. Specimen of this forger's handwriting is given below:



During the latter part of April, 1914, a man giving the name PERCIVAL E. KING, opened small checking accounts at several banks in Pittsburgh, Pa., and after allowing several days to elapse, on a Saturday deposited bogus checks at the various banks. Early the following Monday morning before the banks had received their clearings, King called at the banks and made withdrawals. The banks, in two instances, overlooking temporarily the fact that the checks deposited by King had not been heard from, permitted King to withdraw in excess of his original cash deposit. The checks deposited by King in each instance proved to be bogus. King is described as follows: Age, 42 years; height, 5 feet 6 inches; weight, 140 pounds; build, medium; complexion, florid; hair, light. A specimen of King's handwriting is reproduced here-with.



ANDREW McCLELLAN, a former sub-agent of the Bankers & Brokers Exchange of New York City, is alleged to be drawing worthless drafts on the concern. Recently a customer of a bank member at Scranton, Pa., advanced \$30 on a draft issued by McClellan. The draft was returned unhonored.

McClellan is described as being about 54 years of age; 6 feet 2 inches tall and weighing 250 pounds. Had a Southern accent and a very deep laugh.

Depositing a bogus draft of \$800 drawn on a bank member at Watertown, N. Y., with a bank member at Yardley, Pa., a man using the name of W. M. BOYD, began issuing worthless checks. These checks, which were drawn on the bank member at Yardley, have been protested and returned to the parties who cashed them. Checks have been passed by Boyd in New York City, Jersey City, N. J., Wilmington, Del., Akron, Cleveland, Youngstown, Ohio, and Pittsburgh, Pa.

On May 4, 1914, a member bank of Portland, Ore., reported a loss on a worthless check drawn on a member bank of Fresno, Cal. On taking this matter up our detective representatives traced him to Seattle, Wash., and also learned that he is wanted in Fresno, Cal., on similar charge. Chief of Police, T. F. Coyle, of Fresno, holds warrant for the arrest of HERBERT DENNIS. Dennis is described as being 21 years of age; 5 feet 8 inches tall; weight, 150 pounds; hair, brown; eyes, gray. Specimen of the handwriting of Herbert Dennis is shown below.



Checks which purport to be issued by the "Russell & Prewitt Manufacturing Company," and signed "per R. C. Prewitt, Treas." are being passed on farmers and business men in Tennessee and Alabama. These checks are printed on cheap brown paper and are always for amounts between twenty and thirty dollars. The party passing them represents himself as a buyer or salesman for the company and uses the name of J. D. LAWSON.

Several merchants at Memphis, Tenn., have recently been defrauded by means of checks drawn on a membership bank at Covington, Tenn., made payable to WALTER MARTIN, to which the signature of E. L. Smith, one of the bank's customers, has been forged. All of these checks were given in payment for goods purchased by a man representing himself to be an I. C. R. R. conductor named Walter Martin. In each instance the party shows a letter addressed to Walter Martin. All of the goods purchased is sent to a given address in Memphis, he claiming that it is a surprise to his wife, but upon delivery it is found that although there is an I. C. R. R. conductor named Walter Martin residing at that address, he is not the man who bought the goods, nor does he know anything at all about it.

It is said that this same party operated in Nashville, Tenn., and Atlanta, Ga., in a similar manner, and it is probable that he is the same man who under the name Edward L. Walsh defrauded a hardware dealer in Springfield, Ill., in exactly the same way, as reported on page 580 of the February, 1914, JOURNAL-BULLETIN. This party who operated at Memphis is described as follows: 38 to 40 years old; 5 feet 10 inches tall; weighing 180 pounds; medium heavy build; black hair, wavy and curly; dark eyes; dark ruddy complexion; smooth shaven; full round face; white even teeth; good dresser; wore dark suit, black derby, black shoes, Elk button; appeared to be a railroad man.

Members, and especially those within the state of Texas, are warned against cashing or accepting for deposit, any checks signed EARNEST CAILLONET, Robert Ingersoll and Ernest J. Cailloneh. To date this party has confined himself to cashing his checks on hotels and boarding houses. The checks are usually for small amounts and so far have been drawn on a bank member of Sealy, Tex. Caillonet evidently has a customer's check book in his possession. This

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criminal is described as being about 29 or 30 years of age; 5 feet 5 or 6 inches in height; medium slender build. When last seen wore a salt and pepper suit with a green telescope hat. Claims to represent the Illinois Bankers Insurance Co.

A mining stock broker named MILTON D. JOSEPH is wanted in connection with a swindle perpetrated on a membership bank in Salt Lake City, Utah, he having sold some stock entrusted to him and skipped out with the proceeds without taking care of a draft which had come attached to the stock. Joseph is known as an inveterate gambler and may show up in the vicinity of some city where horse racing is permitted or where turf exchanges or pool-rooms are permitted to operate as this is supposed to be his principal hobby.

Description: Age, 45 years; height, 5 feet 9 inches; weight, 200 pounds; build, heavy; complexion, ruddy; eyes, blue-gray; hair, dark, slightly mixed with gray, wavy and curled up on sides, thin on top; smooth shaven; may wear glasses. When last seen wore a Scottish Rite Masonic ring, also a Masonic charm on his watch chain. He is a slow talker, plays poker some and plays the races.

A party using the name of FRANK B. GREGSON, recently operated against a member bank of San Antonio, Tex., using rather an ingenious method. Gregson ran an advertisement in a San Antonio paper stating that he "had money to loan on good security, quick action." He received answers and negotiated two loans claiming that he was conducting these transactions for his uncle, Bartley Gregson, of Butte, Mont., who gave him as commission all discount over six per cent. He would later pretend to wire his uncle in Montana, who in turn "sent" a certified check for a large amount to be turned over to the borrower. The borrower then handed Gregson his personal check for the discount or commission, which Gregson cashed before disappearing. The borrower later deposited the fraudulent check supposedly drawn by Bartley Gregson and checked against the same. This check was drawn on a bank member of Butte, Mont., and was supposed to have been certified by a member bank in Chicago.

Gregson is described as being 39 years old; five feet seven or eight inches in height; 175 pounds in weight; stout build; florid complexion; blue eyes; reddish hair; smooth shaven. This criminal has a short, thick neck; talks slowly in a somewhat nasal voice. Below we reproduce a specimen of the forger's handwriting.



Our members should be on the alert for bogus drafts which purport to be drawn on a London, England, bank, by a banking firm of Caracas, Venezuela.

These drafts are well engraved on a yellow-redish background, but otherwise differ in every particular with the drafts issued by the banking firm in question.

One of the drafts was recently deposited by the swindler with a bank member at Havana, Cuba, but he failed to realize any money for his trouble.

Claiming that she was the niece of a prominent clergyman of Seattle, Wash., and that she wished to make a draft against an account which she had in an Eastern bank, a woman giving her name as MAUD C. MATTHEWS called at a membership bank at Seattle, Wash. The cashier informed her it would be necessary to have the endorsement of a responsible party before they would advance any money on the draft.

She returned to the bank with what was supposed to be her uncle's signature, but which was later found to be a forgery. This woman was rather good looking and carried a baby in her arms.

The cashier who advanced her \$100 on the draft was only able to give the following description: Age, about 30 years; height, 5 feet 3 inches; weight, 125 pounds; eyes, dark; hair, dark. Her signature is reproduced below.



An ex-convict, named W. L. DELAHOUSSAYE, using the alias Joseph W. Burns, succeeded in defrauding a member bank in Cheyenne, Wyo., by means of a bogus draft drawn on a member bank in Lafayette, La., and to which the endorsement of a reputable ranchman living near Cheyenne has been forged.

Delahoussaye, alias Burns, who disappeared before the crime was discovered, is described as follows: Age, 30 years; height, 5 feet 11 inches; weight, 165 pounds; build, athletic; complexion, dark; eyes, dark; hair, black; smooth shaven; neat dress; good appearance; well educated, good conversationalist, quotes poetry and disclaims dramatically. Is regarded as very ingratiating, especially with women. Hard drinker; gambles, chiefly in cards and dice; claims to be a druggist and is well posted along this line. A sample of his handwriting is reproduced below:



The Spanish swindlers, who have operated against the gullible in the United States during the past twenty years, are still active. It is useless to say that this bait that is thrown out is very enticing and a great many are taken into this swindle, losing their money.

We call attention to the American Bankers Association JOURNAL-BULLETIN of October, 1910, pages 206 and 207, where the story is told of this old time-worn swindle.

It is known that they are now working and operating with drafts of the Banco de Londres y Mexico, drawn against the National City Bank of Chicago, Ill. These drafts are in the sum of £96,000 (\$480,000). They are also operating with drafts showing the same serial number drawn against the First National Bank of Boston, Mass. Heretofore this band of criminals have steered their victim to Madrid or some Spanish city, where he is quietly fleeced of his change and then just as quietly told that he is under suspicion by the Spanish police, and told to get out of the country just as fast as possible. Recently this gang transferred their operations to the United States, and it is known that in several instances, men have paid their money to representatives of this swindling gang in the United States. In one instance recently one of the leading hotels of the City of New York was used for this transaction. On May 20, 1914, a gentleman of Crown Point, Ind., went to New Oxford, Pa., for the purpose of turning over \$3,000 for one of these fraudulent drafts.

In view of the fact that the newspapers have published articles concerning this swindle for the past twenty years or more it would appear that every man, woman and child would know of this swindle. However, people are being continually taken in and are paying good money for fraudulent drafts, or rather, bogus checks of deposit on various banks throughout the country.

BOB ANDREWS, whose description was published on page 692 of the April, 1914, JOURNAL-BULLETIN, is now operating in the West, drawing bogus checks signed "Crescent Who Drug Company, F. L. Coggins." These checks purport to be on account of salary. The last checks issued were made payable to J. B. Winston.

R. M. MOORE, whose operations were reported in the JOURNAL-BULLETIN, May, 1914, page 769, is now operating in the east with checks drawn on the J. P. McGill Company of South Bend, Ind., same being made payable to F. B. Ward. This criminal has been operating during the past two months and has visited the following cities: New York, Buffalo, Rochester, Utica, Ithaca, N. Y., Toronto, Canada, Pittsburgh, Pa., and Atlanta, Ga., on May 15, 1914. He was in Cincinnati, O., May 18th and 19th, 1914.

Posing as an Elk a man using the name of JOHN OSWALD is passing worthless checks. His mode of operation is to call at the Elks' headquarters in any town he visits, represent himself as being a member and then ask to have a check cashed, which is always done. The last heard of him was in Haverhill, Mass., May 9, 1914.

This man is described as follows: Age, 40 years; height, 5 feet 10 inches; weight, about 230 pounds; build, stout; complexion, sandy; wears a dark suit, fedora hat, turned down collar. Is a very smooth talker.

GENERAL.

L. W. BEEMER, alias John Cooper, L. W. Wright and L. W. Thompson, referred to on page 690 of the April, 1914, and on page 771 of the May, 1914, JOURNAL-BULLETIN, as defrauding bank members at Ypsilanti and Ann Arbor, Mich., was released on \$2,000 bail and was bound over to the October term of court.

A clever bogus check operator worked in Central Illinois by presenting fraudulent checks of small denominations to storekeepers at Mason City, Lincoln, and other central Illinois towns. He appeared at a number of stores with small checks, making the purchase of a small amount of goods and receiving the greater part of the check in cash. A number of these bundles of clothing were found either in lots or ash cans and out of the way places. He gave the name of GROVER BENSCOTER and is described as being of medium height; dark complexion; dark eyes; wears overalls and a blue coat. These checks were drawn against a member bank of Lincoln, Ills. We are advised that he has been arrested by the officers at Mason City, Ills., where it was learned he had resided. He is now being held awaiting the action of the courts.

JAMES D. CARR was arrested April 26, 1914, by the police department of Chicago, Ill., on advice from authorities at Kansas City, Mo., where he was wanted for passing a bogus check for \$20 on a hotel in that city. Several other checks were found on Carr at the time of his arrest, signed by F. Darrach, made payable to James D. Carr, and drawn on a non-member bank of Garland, Tex. Sergeant Anderson, of the First Precinct Police Station, Chicago, Ill., advises that he had telegrams that Carr was possibly wanted at Sulphur Springs, Texarkana, and Shreveport, La., on forgery charges. However, these were not verified and he was fined \$500 and sentenced to the House of Correction at Chicago for a period of one year on a charge of uttering and passing a bogus check.

He is described as follows: Age, 24 years; height, 5 feet 7 inches; weight, 135 pounds; build, stout; complexion, fair; hair, chestnut; eyes, hazel; smooth shaven.

The trial of H. E. SPENCER and TESSIE WISE has been set for July 8, 1914. See JOURNAL-BULLETIN February, 1914, page 587, and March, 1914, page 640.



OTTO HANNON.

Above is a picture of OTTO HANNON, alias Mark Hannon, alias Jack Brady, alias Sol Cohn, alias San Langford, alias L. H. Morgan, who was arrested in Wichita, Kan., May 15, 1914, by the local police department, for forgery.

Hannon secured several checks from a commission company in Wichita to which he forged the name of one of the proprietors, then clipped the telephone wires connection running to this commission house and began presenting checks to different business houses in Wichita, requesting them to telephone the commission house and ascertain that the check was good.

This man is an escaped convict from the Arkansas State Penitentiary, and it is also reported that he is wanted for similar crimes in Ottawa, Independence, Coffeyville, Topeka, Pittsburg, Fort Scott, Emporia, Chanute, Hutchinson, Newton and Wellington, Kan.; also in Illinois and Missouri; and Denver, Colorado. He is at present held in Wichita, Kan., in jail. Hannon is described as follows: Age, 23 to 25 years; height, 5 feet 7 or 8 inches; weight, 140 pounds; build, slender; complexion, medium light; eyes, blue; hair, brown; slightly stooped-shouldered, mole on back of neck noticeable above collar.

If any of our readers identify the picture of Hannon as that of a person who defrauded them, they should communicate with the nearest office of our detective agents.

JAMES D. JOHNSON, alias James B. Johnston, alias D. C. Johnson, alias George Knox, a telegraph operator, was arrested in Fort Gibson, Okla., by local authorities on April 25, 1914, for swindling a non-member bank at Fort Gibson by means of a forged telegram. It later developed that Johnson also swindled non-member banks at Muldrow, Braggs, Sallisaw and Vian, Okla., in the same manner.

He is described as follows: Age, 28 years; height, 5 feet 8 inches; weight, 150 pounds; build, medium; complexion, dark; eyes, dark; hair, black.

James D. Johnson was tried at Sallisaw, Okla., and sentenced to serve four years in the State Penitentiary.

HARRY ROGERS, alias J. C. Kelly, alias "Dayton Jimmie," TOM KARIGAN, alias Wm. Wynn, alias Thomas Logan, alias "K. C. Irish" and JAMES CARR, alias James Hartzell, alias McBriar, on the morning of April 21, 1914, burglarized a non-member bank at Phillipsburg, Mo. They were arrested the same day by Sheriff Huff and a posse of citizens of Phillipsburg and vicinity. All of these men are experienced yeggs and we believe them to be the ones who have caused considerable trouble to banks throughout Arkansas during the past six months.

Rogers, Karigan and Carr were sentenced at Lebanon, Mo., on May 19, 1914, to ten years in the Missouri State Penitentiary.

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Charged with having passed a bogus check on a depositor of a bank member at Boston, Mass., THOMAS SANLIN was arrested in that city on May 15, 1914, on information furnished by our detective agents.

On May 16, 1914, Sanlin was brought before the police court at Boston, Mass., at which time he was sentenced to six months in the county jail.

Sanlin is described as follows. Age, 35 years; height, 5 feet 6 inches; weight, 140 pounds; build, slight; complexion, dark; eyes greenish blue; hair, dark brown; peculiarities, nose slightly crooked.

REX C. SMITH recently swindled business houses in Smith Center and Norton, Kan., by means of worthless sight drafts drawn on Bradshaw Brothers of St. Paul, Minn. We are just in receipt of information that this man is under arrest at Julesburg, Col., for a similar offense. It appears he has operated quite extensively throughout Kansas, Texas, Nebraska and Colorado.

After seven years of hiding in Texas, JOHN H. STANDING, defaulting cashier of the First State Bank of Corwith, Ia., recently walked into the District Attorney's office at Gardner, Ia., delivering himself to the authorities and pleaded guilty to fifteen indictments charging forgery, which the grand jury had returned against him in the fall of 1907.

He threw himself upon the mercy of the court, was sentenced to the penitentiary for fifteen years, and on the night of his return to Garner started for the penitentiary at Fort Madison, Ia., to begin serving his sentence. Standing refused to make any explanation of his absence.

C. L. SUTTON, whose arrest is reported on page 770 of the May, 1914, JOURNAL-BULLETIN, having defrauded Minneapolis, Minn., merchants by worthless checks, has been adjudged insane and committed to the State Insane Asylum.

ARRESTED.

A boy using the name J. A. TAYLOR went to a membership bank at Lee's Summit, Mo., on March 31, 1914, and presented a check drawn on a bank at Grandview, Mo., to which the name of an official of that bank was signed. The boy secured the money and the check was returned marked forgery.

About April 25th, this boy again appeared in Lee's Summit and purchased a gun from a local hardware company, presenting a check in payment of same. This check was drawn on a bank at Grandview and the name of an attorney at Grandview forged to it. This was not discovered, however, until the check went through the regular channels.

The matter was turned over to our detective agents and on May 19, 1914, they arrested ALVIE ADAMS, 15 years of age, who lives with his parents on a farm near Grandview, Mo. He confessed passing the two checks.

Through the operations of a forger using the names of HARRY SMITH and FRED BROWN, two bank members at Boston, Mass., were defrauded. Our detective agents were detailed on the investigation of these forgeries and succeeded in establishing the identity of the forger as EMMETT W. ADAMS, an elevator operator in a Boston office building, in which position he stole blank checks from the offices of tenants, forging the names of reliable tenants, and later passing the checks.

Adams was arrested in Boston, Mass., on May 16, 1914, on information furnished by our detective agents. On May 18th he was brought before the first session of the Municipal Court at Boston, Mass., at which time he pleaded guilty to five charges of forgery. His case was continued until May 22d and meanwhile he is being held in \$1,000 bonds.

Adams is described as follows: Age, 18 years; height, 5 feet 7½ inches; weight, 135 pounds; build,

slim; complexion, light mulatto; features, straight, thin face, high forehead; hair, kinky and black; occupation, elevator operator.

It was determined by our detective agents that the young man who forged the name of Courtland V. Anable to three checks and defrauded a bank member of New York City as reported on page 767 of the May, 1914, JOURNAL-BULLETIN, was WILLIAM H. CALDER.

While our detective agents were searching for him, it was learned that a young man using the name of W. H. Calder had ordered cards printed which purported that he was a representative of our detective agents. The printing office was kept under surveillance and on May 9, 1914, when the young man called for the cards, he was placed under arrest.

He proved to be William H. Calder and he made a confession to our detective agents and a representative of the police department.

Calder waived examination on May 15, 1914, and was held to await the action of the Grand Jury. At the time of his arrest Calder was under a suspended sentence for forgery.

J. T. CAMPBELL, alias Charley Curley, recently victimized a membership bank at Macon, Mo., by means of a worthless check. On May 4, 1914, Campbell was arrested in Chicago, Ill., on four charges of "con game." The Macon authorities will lodge a warrant against Campbell.

Campbell is described as follows: Age, 24 years; height, 5 feet 9 inches; weight, 140 to 150 pounds; build, slender; complexion, fair; eyes, blue; deep set; hair, light; smooth shaven; printer by occupation; has sunken chest which tends to produce a slouchy look.

H. R. CANTRELL was arrested May 12, 1914, at Union, Ia., where he was living under the name of Lonnie Carter. He was returned to Claremore, Okla., where he was accused of being implicated with his father T. M. CANTRELL, in defrauding a bank member by disposing of mortgaged property. Both father and son are awaiting trial. JOURNAL-BULLETIN, March, 1914, page 637, and April, 1914, page 694.

A negro using the name WILLIAM COOPER secured from a bank teller at Alton, Ill., two blank drafts. These he took to an attorney and had him make out a transfer of some property which he claimed to have owned in Norfolk, Va., and recently disposed of, then had him fill out the drafts for \$700 and \$275 respectively, Cooper signing the same. Cooper then returned to the bank with the attorney and deposited the drafts for collection. They were drawn on a bank at Norfolk, Va.

Two days later Cooper attempted to borrow \$11 on the drafts, but the bank would not accommodate him. The next day the bank received word from Norfolk that the drafts were worthless; that Cooper had no account at that bank, and also that a negro using the name William White, evidently the same man, had operated against them through a bank member at Vincennes, Ind., he having defrauded the latter.

The bank at Alton then located Cooper and had him arrested. He is now in jail at Alton, awaiting trial. Cooper, alias White, is described as follows: 48 years old; 6 feet tall; weighs 205 pounds; build, muscular; broad shoulders; slender waist; complexion, copper colored; hair, dirty brown and curly, but not kinky; ordinary appearance; walks with swaggering gait; lower front teeth gold filled; right upper canine tooth out; above average intelligence for a negro.

MARION R. GOULD, whose operations were reported on page 690 of the April, 1914, JOURNAL-BULLETIN, was arrested on May 11, 1914, at Boston, Mass.

Accused of defrauding a bank member, a non-member bank and several business men of Green River, Wyo., with bogus checks, E. M. FULLER was arrested at Indianapolis, Ind., on April 11, 1914, and returned to Rock Springs, Wyo., for trial.

Fuller is described as follows: Age, 35 to 38 years; height, 5 feet 10 or 11 inches; weight, 190 to 200 pounds; eyes, grey, left squinty; hair, blonde; bald in front; complexion, fair, shows dissipation; upper front teeth false and noticeably separated; constant smoker of Fatima cigarettes; heavy drinker; all-around sport, spends freely. Is a frequenter of houses of ill repute.

G. GILLIS, alias C. C. Johnson, alias C. J. Collins, alias Samuel J. Conlin, who defrauded bank members with bogus drafts which purported to be issued by Southern railroads, was arrested at Clovis, N. M., April 23, 1914, after he had succeeded in defrauding a bank member at Tucumcari, N. M.

JOHN GRABOVITZ, alias John O'Dell, was arrested recently by the Chicago, Ill., police department on a charge of working a confidence game, also for bond-jumping and another charge of forgery which is liable to be lodged against him by a bank member.

The mode of operation was to represent some real estate man, and he sold parcels of land which were not his property and which he had no authority to sell. He gave fraudulently executed warranty deeds on which he succeeded in securing advances.

His description is as follows: Age, 24 years; height, 6 feet; weight, 175 pounds; build, stout; complexion, dark; hair, dark brown, bushy, smooth shaven; appearance, neat; nativity, Hebrew; occupation, real estate man.

W. S. HAMILTON, alias John A. Cox, was arrested in Detroit, Mich., on January 29, 1914, by our detective agents on a capias in a civil suit, and during his incarceration he was identified as having defrauded a bank member of this Association at Council Bluffs, Ia., he having been given a mortgage by one of their depositors with the understanding that he would deposit the money in the bank to the credit of the depositor, which he did not do and used this mortgage as collateral to borrow money from the bank, and indictment was returned against him. He is now fighting extradition to Iowa. This man is also reported on page 103 of the August, 1913, JOURNAL-BULLETIN.

MARY HAMMERSLEY, who defrauded a bank member and a non-member bank at Lowell, Mass., was arrested at Lowell on May 8, 1914. She is described as follows: Age, 36 years; height, 5 feet 8 inches; weight, 140 pounds; build, slim; complexion, medium; eyes, blue, wears glasses; hair, dark. JOURNAL-BULLETIN, May, 1913, page 763.

Recently the Oneida Milling Co., of Oneida, N. Y., a corporation incorporated under the laws of New York State, and doing a flour and feed business, went into bankruptcy. Hon. George B. Russell was appointed Master and Referee in Bankruptcy.

The attention of Manager Gammon, of our Protective Department, was called to this failure by an attorney for one of our bank members, who was one of the creditors. It appears that in this case several banks, banking institutions, corporations and individuals were creditors by this failure. Manager Gammon attended the various hearings before the referee, and sufficient evidence was brought out at these hearings to show that this concern was wrecked as the result of a scheme of kiting notes, etc. Sufficient evidence was brought out at these hearings to warrant the matter being submitted to Hon. John H. Gleason, United States District-Attorney for the Northern Division of New York, who resides at Albany, N. Y. After he had gone over this case very thoroughly he decided that it was a case that should

be investigated by the United States Grand Jury, then in session at Syracuse, N. Y. Hon. George W. Ray was the Presiding Judge.

At the April Term of Court a sealed indictment was returned, and on May 6, 1914, this indictment was opened at Utica, N. Y., and charged MAX M. HART, ADOLPH E. WUPPERMAN, of New York, N. Y., FRANK W. FOWLER, Pittsburgh, Pa., and ANDREW S. WORK, of Chicago, Ill., with conspiracy and fraudulent use of the mails; there being one count on the former charge and nine counts on the latter charge. All these parties surrendered themselves at Utica, N. Y., on May 6, 1914, and Hart was released on \$25,000 bail, Wupperman was released on \$20,000 bail, the other two parties mentioned being released on lower amounts.

The investigation of this case was handled personally by Manager Gammon, and United States District-Attorney Gleason presented same to the United States Grand Jury and will take personal charge of the prosecution of the case.

This case is by far the most important in the history of the Association, as their bank members particularly in the States of New York, New Jersey, Ohio and Pennsylvania have suffered most by this scheme of kiting notes.

This case was very ably presented by Mr. Gleason, who had devoted practically his entire time in connection with the matter, and has the case in excellent shape for trial. Manager Gammon has co-operated and aided him in every way possible. The case will come up for trial before the Hon. George W. Ray, District Judge, United States Court, Northern District of New York.

During the past few months four checks were cashed by a bank member of Pitcairn, Pa. These checks purported to have been issued by one of the bank's customers. It was discovered that the signature of the bank's customer had been forged by some person unknown to the bank.

An investigation was started immediately by the Pittsburgh Office of our detective agents with the result that MARGARET HEASLEY was arrested on May 18, 1914. She confessed to having forged the signature of her sister to the checks in question. She was given a preliminary hearing, but was released on bail, pending a further hearing. A specimen of Margaret Heasley's handwriting is reproduced here-with. She is described as follows: Age, 16 years; height, 5 feet 6 inches; weight, 157 pounds; build, heavy; eyes, brown; complexion, dark; hair, dark brown.

Margaret Heasley

Two officials of the Farmers' Bank of Radcliffe, Ia., evidently have been in bad straits, as they recently resorted to embezzlement and forgery, it is alleged. J. E. and H. M. HIMMEL held the positions of president and cashier of the bank. It is charged that by the forgery of a number of notes, they secured several thousand dollars from a bank member at Webster City, Ia. It is also said that several other banks have lost by their transactions.

The sheriff at Eldora, Ia., arrested the two Himmels, and with a representative of our detective agents returned them to Radcliffe, Ia., where they are being held awaiting the action of the court. The Iowa Bankers' Association co-operated with this Association in the apprehension of these parties.

L. G. MARTIN, who was arrested on April 20, 1914, at Dallas, Ore., while attempting to defraud a non-member bank at that place, has been positively identified as James C. Cox, wanted for defrauding a member bank at St. Paul, Minn., May 14, 1913. This party is mentioned on page 836 of the June, 1913, JOURNAL-BULLETIN. The authorities are arranging to extradite Martin to Minnesota for trial.

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A bank member of San Francisco, Cal., on May 9, 1914, reported to the San Francisco Office of our detective agents that a branch of their institution at Los Angeles had been defrauded through a forged endorsement to a cashier's check issued to one of the bank's customers, a Japanese by the name of K. Maeshima, and to which was also forged the endorsement of a Los Angeles business man.

The forgery in question was perpetrated during the month of November, 1913. However, it was only discovered within a few days prior to having been reported. Our detective agents immediately made an investigation into the matter at Needles, Cal., which resulted in the arrest of FRANK B. IMAMURA at that place by a representative of our detective agents, who adduced evidence to show that Imamura intercepted a registered letter which contained the draft sent to Komo Maeshima. By careful questioning of Imamura, he broke down and confessed that he had intercepted the letter addressed to Maeshima and that he had also forged Maeshima's endorsement thereto and cashed the draft.

In addition to signing a full and complete confession in regard to having intercepted and cashing the draft made payable to Maeshima, Imamura also turned over to our detective agents the sum of \$500 cash, which he had on deposit in two local banks at Needles. Imamura was returned to Los Angeles on May 16th and was committed to the city jail to await trial.

ARTHUR KARSLAKE was taken into custody on May 16, 1914, at New York City by our detective agents for jumping his bond which had been forfeited by the Bastrop, La., county court. He was turned over to the police and later returned to Bastrop, where he will have to stand trial on a charge of being implicated in the burglary of a bank member at Bastrop, La. JOURNAL-BULLETIN, April, 1913, page 680; May, 1913, page 767, and August, 1913, page 106.

Asserting that he had a large bank account in a Houston, Tex., bank, a young man giving the name of J. R. KNOX, presented two drafts to a bank member at Frederick, Okla., one for \$1,000 and the other for a small amount. The small draft was cashed and the \$1,000 draft was accepted for collection. The following morning the Houston bank wired that Knox had no account.

The local authorities were notified and Knox was arrested at Davidson, Okla., on April 14, 1914. He was returned to Frederick.

Knox is described as follows: Age, 22 years; height, 5 feet 10 inches; weight, 140 pounds; build, slender; complexion, dark; hair, black; eyes, black.

EDWARD LASKY, whose photograph was reproduced on page 769 of the May, 1914, JOURNAL-BULLETIN, was arrested at Schenectady, N. Y., April 27, 1914, on complaint of his brother, whose name he is alleged to have forged to an order which was cashed by a bank member.

A member bank of Chicago, Ill., reported forgeries against their bank. The matter was taken up by our detective representatives, and they apprehended the forger who had used the names of C. J. Lively and J. M. Lively, and whose name proved to be WILLIAM LIVELY. He was traced to St. Louis, Mo., where on May 8, 1914, he was placed under arrest by the police department of St. Louis, Mo., on information furnished by our detective agents, who had kept Lively under surveillance three days pending the arrival of a warrant from Chicago. Lively will be returned to Chicago for prosecution.

Wanted at Rome, Ga., on a charge of swindling a bank member of that place by means of a forged note, T. V. McALLISTER was placed under arrest by the military authorities at Fort Strong, Mass.

McAllister, who is alleged to be a deserter from the United States Army, after defrauding the mem-

ber, enlisted in the army. Our detective agents traced him to Fort Strong and requested the military authorities to place him under arrest.

After having been acquitted on one charge of forgery at Anadarko, Okla., WILLIAM H. PLUM was rearrested on another indictment, charging for-

FRED B. ROBERTS, alias Harry A. Sampson, alias C. E. Ferguson, defrauded three membership banks in the State of Washington by means of forged checks. His method of operations was to steal a rubber stamp from some firm and then stamp a check and forge the signature of the member of the firm having the authority to sign checks. He also secured the pass book of a depositor in some bank and would then present this pass book to another bank and make a check, forging the name of the owner of the pass book, drawing out the funds which he was supposed to have in the other bank. He would ask the cashier to allow him to draw a check on these supposed funds before the bank had a chance to get a return on his withdrawal check.

He was arrested in Aberdeen, Wash., and is now being held for trial. Roberts is described as follows: Age, 30 years; height, 5 feet 6 inches; weight, 172 pounds; build, stout; complexion, dark; smooth shaven; eyes, brown; hair, dark brown; dresses neat; nationality, American. Has a burn scar back of right hand, cut scar under right eye, vertical scar between eyebrow on left side of nose, scar $\frac{3}{4}$ inch long at end or right eyebrow.

WILL ROWLAND, formerly of Mulberry, Ark., on April 27, 1914, passed a forged check on a membership bank at Hartman, Ark.

Rowland was arrested by the local authorities at Ozark, Ark., for burglary. He is described as follows: Age, 25 years; height, 5 feet 10 inches; weight, 150 pounds; build, slender; complexion, dark; eyes, dark; hair, dark; smooth shaven; slow talker. The Arkansas Bankers' Association is co-operating with this Association in this matter.

ADOLPH SCHMIDT, alias Adolph Kowalski, a Russian Pole, recently employed in the foreign department of a member bank in Chicago, Ill., on Saturday, May 2, 1914, forged a cashier's check on their correspondent bank, in payment of a certain amount of Rouble and Crown notes. This being in the regular routine of business in connection with this certain correspondent bank, no thought was given to the transaction. On the following Monday morning, Schmidt did not report for work. Later the bank that had cashed the forged cashier's check called this bank, inquiring if the rouble notes which they had sent on Saturday were sufficient for their demands. They were then advised that no request had been made for rouble notes by their bank, and it was discovered that no cashier's check had been issued.

The matter was immediately reported to our detective agents, who began a systematic search, trailing Schmidt from Chicago on Sunday afternoon to Montreal, Canada, where it was learned that he had arrived Monday night at 10:30 P.M., sailing from Montreal on the steamship Royal George at daybreak Tuesday morning, May 5th. Schmidt was arrested on information furnished the police department of Bristol, England, on his arrival Thursday, May 14th, and will be returned to Chicago, Ill., for prosecution.

H. H. SMITHSON, alias Harry Hall, 22 years of age, of Portsmouth, England, was arrested on April 18, 1914, by Sheriff Hoover, of Perry, Okla., for attempting to swindle a membership bank by means of a forged check in the sum of \$353.51.

This man proved to be a deserter from the United States Army at Fort Sill, Tex., and has been returned to Texas City, Tex., by Sheriff Hoover.

The Los Angeles Office of our detective agents on April 18, 1914, were advised by a bank member at Los Angeles, Cal., that they had been defrauded through means of a check which bore the forged endorsement of a Mrs. Kate D. Sutherland, of Colfax, Washington, to whom same was made payable.

Within the course of three hours after this matter was reported to our detective agents, they caused the arrest of a middle aged woman by the name of KATE SUTHERLAND, a domestic, a customer of the member bank defrauded in this matter. Upon further investigation by our detective agents, it was determined that this person secured the check at the general delivery window of the local post office where it had been mailed to its rightful owner, Mrs. Kate D. Sutherland. Mrs. Kate Sutherland, the forger in this case, intercepted same. After having confessed to having received this check and negotiating same at the bank, she was locked up in the county jail.

On May 12, 1914, Kate Sutherland was held to Superior Court by Justice Reeve in default of \$1,000 bail and committed to the county jail awaiting trial.

The California Bankers' Association co-operated with this association in this investigation.

ROBERT THOMAS, alias J. J. Armsby, and CHARLES FISHER, who were arrested for attempting to defraud a bank member of New York City by means of a raised check, defrauded another bank member of New York City with a forged draft, as reported on page 520 of the January, 1914, JOURNAL-BULLETIN. Dr. JOHN W. DOYLE and LOUIS P. WENDALL were also taken into custody by the New York City police in connection with these matters.

After a chase that lasted over a year our detective agents arrested H. S. WALP, alias H. Spencer Walp, at Niland, Cal., on May 18, 1914, and placed him in the county jail at Los Angeles, Cal., to await extradition to Raymond, Wash., where he is charged with defrauding bank members, as reported on page 602 of the March, 1913, JOURNAL-BULLETIN.

MIKE ZEEBECK and SAM ARSOFF, Russians, were arrested by Sheriff Mathews, of Seattle, Wash. They are accused of being implicated with the five Russian bandits, reported arrested on page 771 of the JOURNAL-BULLETIN of May, 1914.

REMOVED.

HATTIE BARKER, whose arrest was reported on page 771 of the May, 1914, JOURNAL-BULLETIN, on April 30, 1914, was convicted and sentenced to serve from one to twenty years in the Nebraska Penitentiary.

C. D. BOYCE, alias David Edward Richards, arrested in Chicago and returned to Detroit, pleaded guilty to defrauding a bank member and was sentenced on May 20, 1914, to serve not less than two and one-half years, nor more than five years, in the Jackson, Mich., Prison. JOURNAL-BULLETIN: February, 1914, page 580, and May, 1914, page 771.

MORRIS COHEN, alias Brown, was convicted of forgery and sentenced to the Ohio State Reformatory for an indefinite sentence on May 15, 1914. JOURNAL-BULLETIN, April, 1914, page 694.

SCHUYLER C. FARLOW, reported in the JOURNAL-BULLETIN for February, 1914, page 496, and March, 1914, page 641, recently pleaded guilty and was sentenced to serve from two to fourteen years in the penitentiary, after which sentence was suspended and he is now at liberty under the orders of the court.

G. GILLIS was convicted of defrauding a bank member at Tucumcari, N. M., and sentenced to serve two years in the New Mexico Penitentiary at Santa Fe, N. M. His arrest is reported elsewhere in this issue.

MARION R. GOULD, whose arrest is reported elsewhere in this issue, was convicted of defrauding a bank member at Springfield, Mass., by means of a bogus check and was sentenced to an indefinite term at Sherborn, Mass., Reformatory.

ESTHER HAIKEN, whose name has been carried in the awaiting trial list for two years, on April 17, 1914, pleaded guilty and received a suspended sentence. JOURNAL-BULLETIN: June, 1912, page 766.

Six months in the Lowell, Mass., jail was imposed on MARY HAMMERSLEY on May 19, 1914. Her arrest is reported in another column of this issue.

A. D. HIGHSMITH, on April 9, 1914, was convicted at Cape Girardeau, Mo., and sentenced to two years in the penitentiary at Jefferson City, Mo. JOURNAL-BULLETIN, March, 1914, page 636, and April, 1914, page 694.

Because CHARLES V. JAMES and STELLA TRAST did not obtain any money from a bank member at Kansas City, Mo., they will not be prosecuted on a charge of forgery at the expiration of their sentence of six months given to them on conviction of a charge of adultery. JOURNAL-BULLETIN, March, 1914, page 642.

S. R. JONES, alias S. S. Smoot whose arrest is reported on page 771 of the May, 1914, JOURNAL-BULLETIN, on May 16, 1914, pleaded guilty and was sentenced to two years in the Missouri State Penitentiary at Jefferson City.

ARTHUR KARSLAKE, one of the burglars arrested for blowing the vault of a bank member at Bastrop, La., failed to appear for trial on January 5, 1914. After ninety days his bond was declared forfeited.

MARK McNEW and FRANK MATHEWS, convicted of burglarizing a bank member at Lyer, Ga., on April 21, 1914, were sentenced to serve two years in the Georgia State Penitentiary. JOURNAL-BULLETIN, May, 1914, page 772.

WILLIAM H. PLUM, whose re-arrest is mentioned elsewhere in this issue, pleaded guilty to a charge of forgery, second degree, and was sentenced to serve six years in the State Prison at McAlester, Okla. JOURNAL-BULLETIN, June, 1912, page 763; July, 1912, page 31; February, 1913, page 534; January, 1914, page 527, and February, 1914, page 585.

HENRY L. REES, alias Fred Wilson, alias H. W. Wilson, regarding whom an article appeared in the April, 1914, JOURNAL-BULLETIN, page 694, on March 23, 1914, pleaded guilty to forgery in the third degree, and was sentenced to two years in the Missouri State Penitentiary at Jefferson City, Mo.

WILLIAM J. ST. CLAIR, on April 7, 1914, was sentenced to serve one year in the New York County Penitentiary upon conviction of defrauding a bank member of New York City by means of a forged check. JOURNAL-BULLETIN, April, 1914, page 694.

Convicted of defrauding a bank member of New York City through the medium of a forged check, HENRY SCHLOERB was sentenced on April 8, 1914, to serve four months in the New York County Penitentiary. JOURNAL-BULLETIN, July 1913, page 41, and April, 1914, page 694.

Because of extenuating circumstances, ARCHIE N. STEWART, arrested on complaint of a bank member at Fairfax, Okla., was released by the authorities. JOURNAL-BULLETIN, March, 1914, page 642.

ROBERT THOMAS and CHARLES FISHER, mentioned in the Arrested column of this issue, pleaded guilty. Thomas was committed to the New York State Reformatory at Elmira, N. Y., for an indefinite period. Fisher was sentenced to serve one year and eight months in Sing Sing. Dr. JOHN W. DOYLE and LOUIS P. WENDALL were discharged.

The Grand Jury failed to report an indictment against HENRY WEST, a negro, who was arrested on a charge of defrauding a bank member at Yuma,

Ariz., and consequently he was discharged. JOURNAL-BULLETIN, July, 1911, page 37.

C. W. WHITEMORE mentioned on page 691 of the April, 1914, and page 773 of the May, 1914, JOURNAL-BULLETIN, has been released from custody, the Governor of Minnesota refusing to honor the requisition prepared by the Prosecuting Attorney of Sullivan County, Mo., on the ground that the place at which the crime was committed was not definitely established.

AWAITING TRIAL, EXTRADITION OR SENTENCE, JUNE 1, 1914.

ALLEGED FORGERS, ETC.

Adams, Alvie, May 19, 1914, arrested; forgery Lee's Summit, Mo.

Adams, Emmett W., May 16, 1914, arrested; forgery Boston, Mass.

Adams, George E., April 14, 1914, arrested; swindle Genoa, Ill.

Avery, Tracy G., February, 1914, arrested; swindle Richmond, Va.

Bassett, Frank A., January 10, 1914, arrested; forgery Columbus, Ohio.

Bazzell, Charles, February, 1914, arrested; swindle Pryor, Okla.

Beemer, L. W., April 15, 1914, arrested; swindle Ypsilanti, Mich.

Bowman, Levi W., February, 1914, arrested; forgery Joplin, Mo.

Bush, J. A., May 29, 1913, arrested; forgery Wenatchee, Wash.

Calder, William H., May 9, 1914, arrested; forgery New York, N. Y.

Campbell, J. T., May 4, 1914, arrested; swindle Macon, Mo.

Cantrell, H. R., May 12, 1914, arrested; swindle Claremore, Okla.

Cantrell, T. M., March 16, 1914, arrested; swindle Claremore, Okla.

Collins, T. J., September 19, 1912, arrested; swindle Helena, Ark.

Cooper, —, May, 1913, arrested; forgery New York City.

Cooper, C. S., March 7, 1914, arrested; swindle Cordell, Okla.

Cooper, William, May 12, 1914, arrested; swindle Alton, Ills.

Curtis, Edwin A., December, 1913, arrested; forgery Stryker, Ohio.

Davidson, C., January 31, 1914, arrested; forgery Mocksville, N. C.

DeForrest, John, March 1, 1914, arrested; forgery Owego, N. Y.

Dylyn, D., March 20, 1914, arrested; forgery Monessen, Pa.

Farlow, A. P., April 1, 1914, arrested; forgery Columbia, S. C.

Fisher, William H., January 15, 1914, arrested; forgery New Smyrna, Fla.

Fowler, Frank W., May 6, 1914, arrested; swindle Syracuse, N. Y.

Fredericks, Earl, December 29, 1913, arrested; forgery Dayton, Ohio.

Fuller, E. M., April 11, 1914, arrested; swindle Green River, Wyo.

Grabovitz, John, April 27, 1914, arrested; forgery Chicago, Ills.

Gray, S. H., November 12, 1910, arrested; forgery Athens, Tenn.

Grubb, Ray., August 1, 1913, arrested; forgery Woodward, Ia.

Hamilton, W. S., January 29, 1914, arrested; swindle Council Bluffs, Ia.

Hart, Max M., May 6, 1914, arrested; swindle Syracuse, N. Y.

Heasley, Margaret, May 18, 1914, arrested; forgery Pitcairn, Pa.

Hewitt, W. A., October 16, 1913, arrested; theft Jackson, Miss.

Himmel, H. M., May 16, 1914, arrested; forgery Webster City, Ia.

Himmel, J. E., May 16, 1914, arrested; forgery Webster City, Ia.

Huber, C. Jack, February, 1914, arrested; forgery Houston, Tex.

Imamura, Frank B., May 13, 1914, arrested; forgery San Francisco, Cal.

Jones, J. R., January, 1914, arrested; forgery Lincoln, N. C.

Kelly, Robert M., June 8, 1913, arrested; swindle Bishopville, S. C.

Knox, J. R., April 14, 1914, arrested; swindle Frederick, Okla.

Kreleberg, Harry, February, 1914, arrested; forgery New York City.

Lasky, Edward, April 27, 1914, arrested; forgery Schenectady, N. Y.

Lewis, Andy, August 15, 1913, arrested; forgery Prestonsburg, Ky.

Lewis, Walter, April 25, 1914, arrested; forgery New York, N. Y.

Lively, William, May 8, 1914, arrested; forgery Chicago, Ills.

McAllister, T. V., May 22, 1914, arrested; forgery Rome, Ga.

McCallum, Eugene M., March 24, 1914, arrested; forgery Des Moines, Ia.

McKellop, Tom, March 20, 1914, arrested; swindle Holdenville, Okla.

McKellop, William, March 20, 1914, arrested; swindle Holdenville, Okla.

McKibban, Milo, April 11, 1914, arrested; forgery Des Moines, Ia.

McKinney, Maynard, March 10, 1914, arrested; forgery Idabel, Okla.

Martin, J. T., March 20, 1914, arrested; swindle Holdenville, Okla.

Martin, L. G., April 20, 1914, arrested; forgery St. Paul, Minn.

Mitchell, Ernest C., April 20, 1914, arrested; forgery Chicago, Ills.

Moon, Marshall, March 31, 1914, arrested; forgery Talladega, Ala.

Moorehead, George W., February 4, 1914, arrested; forgery Tulsa, Okla.

Morris, Harry J., January 16, 1914, arrested; attempted swindle Kansas City, Mo.

Panos, James, May, 1913, arrested; swindle Willets, Cal.

Richason, M., January 1, 1913, arrested; swindle Kansas City, Mo.

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Richner, Harry E., February 17, 1914, arrested; forgery New York, N. Y.

Roberts, Fred B., April 18, 1914, arrested; forgery Bremerton, Wash.

Rogers, C. R., August, 1912, arrested; forgery Cordele, Ga.

Rowland, William, May, 1914, arrested; forgery Hartman, Ark.

Scherberg, C. W., February, 1913, arrested; swindle Grenada, Miss.

Schmidt, Adolph, May 14, 1914, arrested; forgery Chicago, Ills.

Smith, J. T., February, 1914, arrested; swindle Purcell, Okla.

Smithson, H. H., April 18, 1914, arrested; forgery Perry, Okla.

Spencer, H. E., January, 1914, arrested; forgery San Francisco, Cal.

Stevens, E. M., March 10, 1914, arrested; swindle Millerstown, Pa.

Stone, George, December, 1913, arrested; forgery Lindsay, Cal.

Stone, Harry, November, 1912, arrested; forgery Bakersfield, Cal.

Sturgis, R. E., July 3, 1913, arrested; swindle Jennings, La.

Sullivan, Charles, September 7, 1913, arrested; swindle Munfordville, Ky.

Sutherland, Kate, April 18, 1914, arrested; forgery Los Angeles, Cal.

Wallace, Harry, February 10, 1913, arrested; forgery Swedesboro, N. J.

Walton, Harold, June 8, 1913, re-arrested; swindle New Orleans, La.

Walp, H. S., May 18, 1914, arrested; forgery Raymond, Wash.

Winters, Bert, December 29, 1913, arrested; forgery Dayton, Ohio.

Wise, Tessie, January 7, 1914, arrested; forgery San Francisco, Cal.

Woolf, Beit, May, 1913, arrested; forgery New York City.

Work, Andrew S., May 6, 1914, arrested; swindle Syracuse, N. Y.

Wupperman, Adolph E., May 6, 1914, arrested; swindle Syracuse, N. Y.

BURGLARS AND HOLD-UP ROBBERS.

Alachoff, Molho, April 16, 1914, arrested; hold-up Elma, Wash.

Arsoff, Sam April, 1913, arrested; hold-up Elma, Wash.

Dobreff, Murzaback, April 15, 1914, arrested; hold-up Elma, Wash.

Dropp, B. W., February, 1914, arrested; attempted hold-up Tacoma, Wash.

Hodoff, Irsamag, April 15, 1914, arrested; hold-up Elma, Wash.

Karslake, A., May 16, 1914, re-arrested; burglary Bastrop, La.

Kyriel, Vigof, April 15, 1914, arrested; hold-up Elma, Wash.

Malsegoft, Yacop, April 15, 1914, arrested; hold-up Elma, Wash.

Zeebeck, Mike, April, 1913, arrested; hold-up Elma, Wash.

STATISTICS OF THE WORK OF THE PROTECTIVE DEPARTMENT.

AS REPORTED TO THE STANDING PROTECTIVE COMMITTEE.

From September 1, 1913, to May 31, 1914.

New York, N. Y., June 1, 1914.

Persons arrested, discharged, convicted, sentenced, awaiting trial, etc.

	Awaiting Trial etc. September 1, 1913.	Arrested Since September, 1913.	Arrests in May, 1914.	Total.	Convicted.	Discharged or Acquitted.	Escaped or Fugitive.	Insane, or Died.	Awaiting Trial.
Forgers.....	130	182	36	218	196	59	9	2	82
Burglars.....	12	10	1	11	15	5	1	1	1
Hold-up robbers.....	1	8	2	10	3	8
	143	200	39	239	214	64	10	3	91



Contributions for this Department must be received by the Educational Director of the Institute not later than the 20th of the month preceding publication.

INSTITUTE ADMINISTRATION.

EXECUTIVE COUNCIL

1914.

WILLIAM M. ROSENDALE, <i>Chairman</i>	New York City.
F. A. CRANDALL	Chicago, Ill.
WILLIAM H. FARR	Detroit, Mich.
JAMES D. GARRETT, <i>ex-officio</i>	Baltimore, Md.
B. O. HILL	Pittsburgh, Pa.
W. B. KRAMER, <i>ex-officio</i>	Scranton, Pa.
BYRON W. MOSER, <i>ex-officio</i>	St. Louis, Mo.
F. J. MULCAHY, <i>ex-officio</i>	Minneapolis, Minn.

1915.

C. W. ALLENDOERFER	Kansas City, Mo.
ROBERT H. BEAN	Boston, Mass.
H. J. DREHER, <i>ex-officio</i>	Milwaukee, Wis.
T. R. DURHAM	Chattanooga, Tenn.
Q. B. KELLY	Salt Lake City, Utah.
L. H. WOOLFOLK, <i>Vice-Chairman</i>	Seattle, Wash.

1916.

W. O. BIRD	Denver, Colo.
EUGENE J. MORRIS	Philadelphia, Pa.
GEORGE H. KEESEE	Richmond, Va.

OFFICERS.

WILLIAM M. ROSENDALE	<i>Chairman Executive Council</i>
Asst. Cashier Market & Fulton National Bank, New York City.	
H. J. DREHER	<i>President</i>
Asst. Cashier Marshall & Ilsley Bank, Milwaukee, Wis.	
JAMES D. GARRETT	<i>Vice-President</i>
Asst. Treasurer Central Savings Bank, Baltimore, Md.	
W. B. KRAMER	<i>Secretary</i>
With Lackawanna Trust & Safe Deposit Co., Scranton, Pa.	
F. J. MULCAHY	<i>Treasurer</i>
With Minnesota Loan & Trust Co., Minneapolis, Minn.	

GEORGE E. ALLEN	<i>Educational Director</i>
Five Nassau Street, New York City.	

THE INSTITUTE AND ITS WORK

THE American Institute of Banking Section of the American Bankers Association is devoted to the education of bankers in banking and the establishment and maintenance of a recognized standard of education by means of official examinations and the issuance of certificates of graduation. To qualify students for official examinations for Institute certificates, which are termed final examinations, the Institute provides a standard course of study in the form of serial lesson pamphlets and collateral exercises. No additional text-literature is required. The course of study thus provided covers the theory and practice of banking and such principles of law and economics as pertain to the banking business, and requires at least one hundred hours of class or correspondence work under approved instructors. In suitable cities bank employees are organized in Chapters for educational work in accordance with the class method of instruction. Students outside of city Chapters are associated in the Correspondence Chapter and provided with instruction by mail. Chapter organization and education are thus made uniform and universal.

PART I.—BANKING.—The first part of the course thus adapted alike to Chapter classes and correspondence students considers the subjects of "Wealth and Banking," "Bank Accounting," "Loans and Investments," "Clearing Houses and Trust and Savings Institutions," and a final examination reviewing the foregoing lessons in banking. In Chapter Class Work the text-literature and collateral exercises contained in each of the foregoing pamphlets are designed to occupy at least six lessons of two hours each. Some of such lesson pamphlets may require less, and some more, than the time severally prescribed for class work, but average time specified must be substantially maintained. In Correspondence Instruction each pamphlet constitutes a single lesson, which average students should complete in about two months.

PART II.—LAW.—The second part of the course considers commercial law in general and banking law in particular, with special reference to negotiable instruments. The lesson pamphlets pertaining to law cover the subjects of "Laws of Contracts," "Agency and Associations," "Sales and Bailments," "Negotiable Instruments," and a final examination reviewing the foregoing lessons in law. In Chapter Class Work the text-literature and collateral exercises contained in each of the foregoing pamphlets are designed to occupy at least six sessions of two hours each. Some of such lesson pamphlets may require less, and some more, than the time severally prescribed for class work, but average time specified must be substantially maintained. In Correspondence Instruction each pamphlet constitutes a single lesson, which average students should complete in about two months.

DESCRIPTIVE CIRCULAR—Send for circular containing specimen pages of Institute Lesson Pamphlets and describing methods of instruction.

AMERICAN INSTITUTE OF BANKING

5 NASSAU STREET

NEW YORK CITY

THE BANKER AS AN EDUCATOR.

By Fred. W. Ellsworth, Manager of the Department of Publicity and New Business of the Guaranty Trust Company of New York—Address before the Annual Association of the Texas Bankers' Association at Fort Worth, May 5, 1914.

SEVERAL years ago I was in the office of the executive head of one of the larger Pacific Coast banks. In the course of our conversation this man asked me what I knew about the ability and history of a certain clerk in his employ whom I had known for some years. "My reason for asking about him," said he, "is just this: We need another officer in our institution and in going over our entire force I have been unable to find a single employee who is qualified for this position except this young man, and I hesitate to appoint him because he has been with us only a few months and his preferment would arouse jealousy and discontent among the older employees. Now I don't know whether it is my fault or the fault of our men, but the fact remains that no one in this institution has fitted himself for an official position, and I am, therefore, practically compelled either to go outside or else promote this comparatively new man."

Here is another similar instance: An eastern bank of considerable size found it necessary only a few years ago for the very same reason, to go outside of its own organization for an additional official. After a very thorough canvass of all the available men in the institution, not a single one measured up to the qualifications necessary for the position.

These examples are not by any means isolated cases but are duplicated time and time again in banking institutions from one end of the country to the other.

Why is it? What is the reason for this lack of preparation? It is just this condition of things which inspired certain members of the American Bankers Association back in 1900, at their annual convention in Richmond, to organize what is now known as the American Institute of Banking, and by this means gradually to correct the condition which I have just described, and thus establish in this country a new career for the banker, which is indicated by the title of this talk, "The Banker as an Educator."

It is human nature for mankind to want to reform or help the other fellow. The optimist, you know, is the chap who does not care what happens so long as it happens to the other fellow, and on the other hand the pessimist is the man who has to live with the optimist. This universal trait is quite as prevalent among bankers as among other folks, and so we see the banker willing to educate the farmer, and the merchant, and the manufacturer. In all the newspapers in the land we read what is known as educational advertising by means of which the banker hopes to educate the people to save money and to open checking accounts and to buy travelers' checks, etc. It was only a little over a decade ago that a few bankers with their heads together trying to determine why it was that comparatively few of the men in our banks were really familiar with the fundamental principles of banking and finance, decided that it would be a first-class idea to educate the bankers and bank men of our country. From this decision there developed the educational institution to which I have already referred, and which has since grown to rather large proportions. The purpose of this institution is primarily and exclusively the theoretical and practical education of bankers and bank men in the principles of banking and economics and kindred subjects with the ultimate idea of developing a class of men capable of intelligently and efficiently and adequately handling our banking business.

City Chapters.

Let's see now just what means were employed to achieve this purpose. The greatest need for improvement existed in the cities, and so the original program provided for the organization of local chapters in the principal centers. So successful has this

feature of the work become that there are today chapters in more than eighty of our large cities, the total membership of which exceeds 15,000 men. The definite good which these chapters have actually accomplished is beyond computation, and is not confined to the immediate benefit which individuals may have received by study and practice.

Correspondence Chapter.

Soon after the organization of the city chapters was well under way provision was made for that still greater army of bank men who are employed in the smaller cities and towns where, because of lack of numbers, chapters are not practicable. This was accomplished by the formation of what is known as the Correspondence Chapter—a nation wide school which conducts by correspondence the same identical study courses as are followed in most of the city chapters. The Correspondence Chapter has been incorporated. There are five directors, three of these are country bankers, the other two are the First Vice-President of the American Bankers Association and the President of the American Institute of Banking, who are ex-officio members of the Board. The membership of the Correspondence Chapter now numbers more than one thousand men and is constantly growing. This means that over a thousand up-to-date, live-wire Americans are by study and reading and investigation fitting themselves for larger opportunities and better positions in their chosen profession. And right here let me put in a word as to the efficiency of correspondence instruction. William R. Harper, late President of the University of Chicago, said that the work of the correspondence students of that great institution averaged higher than that of their resident students. If this is true of college students why is it not equally as true of students of banking?

Valuable Testimony.

Even when one considers the great work which the American Institute of Banking has accomplished in the past, and is now accomplishing, and will continue to accomplish in the future, I suppose there is still a sprinkling of skeptics who question its value. Those of you who are familiar with the early history of the Institute will remember that some bankers were absolutely opposed to the idea because they feared that it might develop into a labor union. This false notion of course was early disproved when it became evident that the sole purpose was the betterment of the members, to the co-operative benefit of both the banker and the bank man. Let me refer you briefly to what some well-known men have said.

Charles H. Huttig, for instance, former President of the American Bankers Association, said: "I am pleased to see that the Institute Section, through its Correspondence Chapter, is extending its educational work outside of City Chapter classes. The bankers in the country are as ambitious as anybody else to improve their professional knowledge and efficiency, and since the utility of correspondence instruction has been demonstrated by leading universities, I see no reason why the Correspondence Chapter, furnishing as it does the same facilities as are furnished to study classes in the cities, should not have a membership of thousands. . ." I might add right here that Mr. Huttig was well qualified to recommend the Institute for I happen to know that he was thoroughly familiar with it and its operations.

Hear what Arthur Reynolds, President of the American Bankers Association, has to say: "The American Institute of Banking Section has long since come to be recognized as an important educational factor of the Association. The affairs of this Section have been conscientiously and capably handled, and while the Association has been liberal in its aid I feel that the results have been most gratifying and that the work of this Section is entitled to the co-operation of our membership. . . . Institute graduates are becoming recognized as possessing not only superior knowledge of banking methods but likewise the qualities of persistence and thoroughness that comes only from systematic training."

Is It Worth While?

So much for what the Institute is and what people say about it. Let us consider now for a few minutes whether or not it is worth while. Let us weigh it in the balance and see if it has made good. A prominent member of the Institute asserted a short time since that he had counted over seven hundred Institute men, who in the last ten years have been elevated to official positions in their respective banks. Let us call this item number one.

The standard of efficiency among bank men has been materially and noticeably raised during the past decade, and incidentally the same is true of bankers themselves. I have it upon the authority of a prominent banker that the average bankers' convention to-day is much more serious in its nature than were the conventions ten years ago, and that as a rule, if you will except the present speaker, the average convention program is of more real worth and interest than formerly.

Bank men all over the country are regular contributors to the magazines and to the financial and daily press on financial and economic subjects, and thereby cannot fail to mold public opinion and assist in the correct solution of financial and business problems. Many of the very brainiest men in the American Bankers Association to-day are Institute men, and some of the committees in that organization that have become conspicuous because of things accomplished have been made up largely of men who have been reared in the Institute.

The American Institute of Banking as an educational force in this country is now recognized as it never was before, not only by bankers and by business men, but by the framers of our laws. Last Fall when the Currency Committee of the United States Senate was considering the banking and currency bill and were seeking for expert opinion so that that bill might be correctly drawn they called in Institute men. And right now when definite, practical knowledge of banking is needed to build and develop the intricate machinery of the new Federal Reserve Banks, to whom do you suppose they have applied? Why, no where else than to the American Institute of Banking.

In short, wherever this policy of banking education, fostered and developed by the Institute, has become firmly established there you will find capable, live, energetic bankers who know their business from the ground up.

Thus far we have discussed this subject from a more or less remote standpoint. You bankers of Texas are naturally more interested in just what the Institute can do for you and for the bank men in your banks. It is interesting to note that of the thousand or more men who are studying the courses in the Correspondence Chapter approximately 50 per cent. are bank officials. As a general rule the students are the live wires in their respective communities. Practically all of them have definite ideas as to how a bank should be run, and these ideas are reflected in the examination papers that are submitted.

Course of Study.

The Institute courses are two in number. Part one is devoted to practical banking, and the subjects considered are "Wealth and Banking," "Bank Accounting," "Loans and Investments," and "Clearing Houses and Trust and Savings Institutions." Part two pertains to law and considers commercial law in general and banking law in particular, with special reference to negotiable instruments. The lesson pamphlets cover the subject of "Law of Contracts," "Agency and Associations," "Sales and Bailments," and "Negotiable Instruments."

At the conclusion of the study of each part the student is required to pass an examination, which entitles him to the Institute Certificate and gives him the title of Institute Graduate. In the language of Educational Director George E. Allen, "The Institute course of study thus arranged aims to provide elementary education for thousands rather than advanced education for hundreds or less, and graduation, as evidenced by the Institute Certificate should

therefore be regarded as the beginning rather than the end of Institute activity. In other words, the Institute study course represents educational necessities rather than educational luxuries." If you cared to consider at this time so vulgar a subject as price, I might mention that the cost of each of these two courses is ten dollars to individual students who are employees of officers of institutions that are members of the American Bankers Association.

Conclusion.

Now the banker as an educator has not accomplished all that is possible. If he had the American Institute of Banking would simply go out of business. It is not reaching all the men that are eligible. The work that can be done is practically unlimited. However, a great deal has already been achieved. The bankers and bank men of this country, thanks to their own good sense in not waiting for some one else to start an educational movement in their own behalf, know more about their own business to-day than they did ten years ago; they will know more about banking ten years hence than they do now. This is an age of competition. The man who succeeds is the man who knows. There is an old Arabic proverb which runs something like this:

"Men are four: He who knows not, and knows not that he knows not—he is a fool, shun him;

"He who knows not, and knows that he knows not—he is simple, teach him;

"He who knows, and knows not that he knows—he is asleep, wake him;

"And he who knows, and knows that he knows—he is wise, follow him."

The American Institute of Banking is rapidly developing a race of men who belong to the fourth class. They are men who know and know that they know. They are the men who are wise—follow them.

SEGREGATION OF SAVINGS DEPOSITS IN COMMERCIAL BANKS.

By Edward Vanderpoel of the National Bank of Commerce in New York. The Paper that Won the Cannon Prize.

1. What Are Savings Deposits?

The desirability of such segregation would seem to depend almost entirely on what is meant by "savings deposits." So many eminent gentlemen, who have devoted much time and study to this question, have endeavored to frame a definition of savings deposits with such poor results as to almost discourage me from even attempting such a task.

However, we must all recognize the necessity of having a clear statement of the subject of any legislation, because statutory ambiguity entails not only confusion and annoyance for the business community but shifts unnecessary burdens upon the judicial and executive branches of government, which should logically fall within the duties of our legislative bodies.

Let us see, then, whether we can devise some phraseology that will adequately cover the case. To this end we shall distinguish the various classes of deposits as enumerated below.

(A) NON-INTEREST-BEARING, DEMAND CERTIFICATES OF DEPOSIT.

(B) LOW-INTEREST-BEARING, DEMAND CERTIFICATES OF DEPOSIT.

(C) LOW INTEREST-BEARING, TIME CERTIFICATES OF DEPOSIT.

(D) HIGHER INTEREST-BEARING, TIME CERTIFICATES OF DEPOSIT.

The first three classes usually represent funds deposited for safe-keeping, in some instances for a considerable period, but more frequently awaiting employment in some other channel, or mode of investment.

The fourth class, in common with the other three, represents money received from firms, corporations and even foreign governments, as well as from individuals, and these could never be classed as "savings deposits."

(E) INTEREST-BEARING ACCOUNTS.

This sweeping designation would take in the accounts maintained by banks and bankers in reserve centers as well as deposits received from all of the above-mentioned sources.

It would, therefore, be unwise to include all deposits embraced by any one of the above classifications in the title of savings deposits.

(F) ACCOUNTS REQUIRING PRESENTATION OF PASS-BOOK AT TIME OF EACH DEPOSIT AND WITHDRAWAL.

This is easily evaded by the omission of this requirement.

(G) DEPOSITS PAYABLE ON DEMAND BUT ON WHICH THE BANK MAY AT ANY TIME REQUIRE 30 DAYS' NOTICE OF INTENTION TO WITHDRAW, AND ON WHICH INTEREST IS PAYABLE AT THE RATE OF NOT LESS THAN 3 PER CENT. PER ANNUM.

An ordinarily prudent banker would not accept deposits payable on demand, without reservation, and agree to pay interest thereon of 3 per cent. or more, except in some very rare instance, where the personal equation or some peculiar circumstances affected the transaction. If he did, the wise bank examiner would find cause to look closely into the affairs of that bank.

On the other hand, the very safe, and yet readily salable, securities of small denominations, obtainable at a 5 per cent. basis or better would preclude the possibility of obtaining any appreciable deposits, where the depositors were subject to the withholding of their funds for a period of from one to three months, although receiving less than 3 per cent. on their money. This is especially true in the face of competition from the postal savings bank whose operations are entering into an ever-widening territory, and is further emphasized by the following excerpt from a letter recently received from the Vice-President in charge of the Banking Department of one of the largest trust companies in Boston, Mass.

"As our local Savings Banks pay interest at the rate of 3½ per cent. and 4 per cent. per annum you will readily see that with our own rate of 3 per cent. we are not in competition with our neighboring savings institutions.

In conclusion we will state that out of total assets of \$96,000,000, our Savings Deposits are less than \$2,000,000."

The description under class "G," then, seems to contain the most simple and yet comprehensive way of expressing the idea we have in mind when speaking of savings deposits.

These deposits have been referred to as small, inactive, cumulative accounts, permanent because they are put in to be left in; differing in these respects from commercial accounts, which are fluctuating, being put in to be drawn out, and having average balances used as the basis of credit and for the transfer of funds. The size, activity and augmentation or diminution of accounts, however, are frequently matters which may be determined only during the process of time, and are not sufficiently definitive to serve statutory purposes.

As a precautionary measure it might be well to incorporate in a segregation law the provisions of the Massachusetts law which take in all deposits solicited or received as savings, and all deposits which may be withdrawn only on presentation of pass-book or similar form of receipt.

2. What Is Meant By Segregation?

The mere reception of certain deposits over a separate window, with the use of special forms and entries in separate ledgers, can do but little good to either depositors or bank, except as it might suit the convenience of the latter for book-keeping purposes.

This is about all it amounts to in Ohio, which is one of the States reported to have segregation laws. Confirmation of the fact that this is the view held by Ohio Bankers is contained in letter of March 16, 1914, from a vice-president of one of the leading

National banks and trust and savings banks of Cleveland, which is quoted hereunder:

"Answering yours of the 14th inst. would say that I understand no law has yet been passed by the legislature in Ohio requiring the segregation of savings deposits in commercial banking institutions. I understand the Superintendent of Banks is heartily in favor of such a measure, and has recommended it very strongly in his recent report, but no action in regard to it has yet been taken."

California has carried to what is perhaps the greatest degree of perfection yet attained, the true concept of segregation in theory and practice. That State put into effect on July 1, 1909, a law providing for departmental banking whereby banks are permitted to have three departments, namely: savings, commercial and trust. Subsequent amendments have not changed any of this law's main essentials.

Segregation that does not accomplish a definite object is not even worthy of discussion. To be effective, it must take the funds put in by the savings depositor out from among the other assets of the bank and insure their being handled in such a manner that the depositor can be certain his money is at least as safe, if not more so, than it would be in a mutual savings bank.

By the term "more so" is meant what further security may be given by a paid-in capital and surplus. The inference may not be drawn, however, that savings depositors are entitled to become preferred creditors, which would mean that they had a prior lien on all assets. The right kind of segregation makes savings depositors secured creditors, by giving them first claim on investments made with their money, or the assets specially pledged, and further protects them by the more conservative character of these investments.

Practical segregation cannot but be satisfactory to commercial depositors when looked at from any angle. The branch of the bank they do business with concentrates on the interests of active business and caters to its needs. If the security of such depositors is in any way diminished, they must remember the relation is a reciprocal one and that the bank frequently makes loans, which are largely unsecured, to these very depositors, and this alone is responsible for any slight weakness that may exist in this division of the bank's assets.

The depositors, however, unlike the banks, are not even hazarding a good business risk, inasmuch as a well organized bank or trust company with sufficient capital, a solid directorate, under the administration of an aggressive, yet conservative management, and backed by the indorsement of bank examiners as to its condition, is entitled to the utmost confidence. Moreover, they have the guaranty that in case misfortune overtakes the bank, the savings depositors have right to their own assets and their pro rata share of the capital, surplus and undivided profits only, unless there is a residue for distribution after the just claims of commercial depositors have been fully satisfied.

3. What Reasons Are There for the Segregation of Saving Deposits in Commercial Banks?

The fundamental thought which gave rise to the agitation on this subject appears to be that of additional safety. On this basic idea hang all the minor questions and details. It is almost axiomatic to say that the more absolute the security of deposits can be made, the greater will be the advantage accruing to all concerned.

First, the Depositors.—Many who are now driven to hoard their money through fear of its loss are ignorant of, and indifferent to, the fact that the great majority of bank failures are of commercial institutions and not savings banks, and the wide publicity and embellishments usually added to these stories of financial ruin have a disastrous and far-reaching effect. Now if proper segregation is effected, these timid and misguided ones can have their fears allayed, knowing that whatever kind of financial institution accepts their money as savings deposits is sufficiently surrounded with safeguards to make cer-

tain the return of principal intact, with interest earned. In reality, the sense of security is greatly heightened by the idea that the bank is taking a peculiar interest in their affairs through a separate department, and particularly that the government has arranged better facilities for keeping a keen and watchful eye on the precious accumulations of depositors.

Second, The Banks.—The saying has nearly become proverbial that what is beneficial and profitable for depositors will, in the long run, redound in greater prosperity for the banks, whose welfare and very existence depend on their depositors. The setting up of a savings department should attract business, and the inauguration of a segregation plan in any locality after the passage of the act, provides many forcible arguments to be utilized in building up this phase of the bank's activities.

This quotation from a letter just written by the president of a leading trust and savings bank of Los Angeles, after nearly five years' experience under the California law, is illuminating:

"The nature of the separate classes of business allowed by departmental banking is such that there is clearly an advantage in the segregation of the business. This needs no argument."

Third, The Community at Large.—Those already depositors, feeling more secure and better satisfied and new depositors, helping to place the banks on a surer footing and in a more prominent position, will increase general interest in the community in the subject of thrift and thus additional business will be obtained. But the banks, in turn, having larger resources at their command, will be better able to assist the wheels of industry and commerce; helping to develop manufactures and giving a new impetus to trade. This may all sound very theoretical and poetical, but it is, nevertheless, logical and practical, and must, more or less, prove true in operation.

Fourth—Last, But Not Least, The Bank Examiner.—The work of the bank examiner is certainly much simplified when he walks into a place where everything is systematized, and the whole routine naturally falls into a regular order. The short time allotted to him can then be devoted to a more thorough examination netting better results to depositors, shareholders and all connected with the bank. Segregation, when complete, must prove a great boon to the examiner, who can readily determine, under such circumstances whether the laws are being complied with. While banks are organized for different and more important purposes than to provide sinecures for lazy, high-salaried bank examiners, it is well to do all in our power to expedite and facilitate the laborious and highly important work of those who protect the public's welfare.

4. What Objections Are There to the Segregation of Savings Deposits?

(A) IT IS UNNECESSARY BECAUSE OF THE COMPARATIVELY INSIGNIFICANT NUMBER OF BANK FAILURES.

There are so many vicissitudes through which a bank has to pass, and unforeseen occurrences having a vital bearing on its condition, that a flourishing institution, perfectly solvent, holding a strong position, may, in a short space of time, have its status materially altered. This might result from a change in management, or a change in policy of a continuing management, or else be due to outside influences. For this cause, the best safeguards are none too good.

Especially is this true in the case of the depositor who, having never derived anything more than a meagre income from which he has scraped together, say \$1,000, suddenly has his bank collapse leaving assets hardly more than sufficient to pay receiver's and attorney's fees. Is this a very exceptional case? Small consolation, this, to you, if you are the poverty-stricken man or woman who, now in your closing years, and with failing strength, are without ability to recuperate. It is the thought that their savings might become tied up indefinitely in one of the failed banks which form so infinitesimal part of one per cent. of the many units of our great banking system, which is

acting as a deterrent on hundreds, even thousands, throughout our land. But some think the possibility of a disastrous failure is precluded because

(B) SEGREGATION IS RENDERED UNNECESSARY BY EFFECTIVE GOVERNMENTAL SUPERVISION.

The safe conduct of the affairs of a bank is not exclusively the result of good laws, of good supervision by the authorities, nor of the honesty, astuteness and brilliancy of its directorate, official and clerical staffs; but a combination of all of them. The only sure way that remains is for all of these to co-operate to the fullest extent, and, while making each responsible so far as possible, make them fit in together by the use of the best systems which can be invented. As heretofore explained, segregation is an aid to this end.

Bank examiners, through their familiarity with the loans and discounts of various banks in different places and through their careful investigation of credits gain remarkable insight into this phase of banking, but in the final analysis the responsibility devolves upon the bank officials in the decisions as who is worthy to receive credit on unsecured paper. The bank examiners have neither the time nor facilities to perfectly cover this matter and segregation remains the only anchor for the savings depositors.

As the Los Angeles banker expressed it:
"The great advantage of our present banking system is that there is every safeguard provided so as to assure conservative banking management."

(C) IT REDUCES LOCAL LOANABLE FUNDS.

The fact that close restrictions are not now imposed on commercial institutions such as are placed on savings banks, while it may be of importance in banking circles, does not interest the average depositor—at least not from the standpoint of affording undue competitive advantage to the commercial institutions. Furthermore, mutual savings banks are not apt to be such aggressive business seekers as capitalized banks and trust companies, because without the incentive of increasing dividends to satisfy clamoring stockholders, enlarged deposits mean little more to them—from a business outlook—than so much extra work; a feature which does not appeal strongly to many, notwithstanding mutual banks are organized for the charitable purpose of developing thrift to the utmost in the community and accumulating a large protective surplus. For this reason there should be little objection on the part of the mutual savings banks if it eventuated that somewhat more liberal investments were permitted to commercial organizations with savings departments, such leniency being essential to the co-operation between banking, industry, and the community at large, in a manufacturing center, let us say, without other savings facilities and under the necessity of obtaining commercial loans for industrial development. Incidentally, for this reason also, the assertion of the late Colonel James that the agitation for segregation was largely inaugurated by savings bank officials actuated by selfish motives would seem to be wide of the fact.

But if we grant that the worst fears of certain ones are realized and States having strict trust and savings investment laws should make them operative as touching the savings deposits of commercial institutions, the figures prepared several years ago by the Law Committee of the Savings Bank Section of the A. B. A. indicate that such organizations already own a sufficient amount of the proper securities to more than cover the reputed total of deposits affected.

Using totals as a basis is, of course, unsatisfactory, because certain banks and trust companies might have much more than was necessary for this purpose, while the holdings of many others would undoubtedly be far below their requirements. This difficulty, however, can be solved in two ways. First, grant five years for adjustment as was done in Massachusetts, Connecticut, etc. This is ample time. Second, the Federal Reserve Act makes the following provisions in substance for all National banks, not in central reserve cities. They may loan on farm

lands, not in excess of 50 per cent. of actual value of property, nor may the loan be for more than 5 years, nor may such loans in the aggregate exceed 25 per cent. of capital and surplus or one-third of time deposits. (Time deposits can be made to include savings deposits on which notice may be required before withdrawal.) Reference as above may be properly made to all National banks not in central reserve cities as all National banks must join the Reserve System this year or be dissolved. This section of the Act bridges the chasm now existing, i. e.—the inability of National banks to make loans on real estate. Thus, with the permission obtained from Comptroller Ridgely some years ago to operate a savings department, the privileges they now enjoy, namely: the acceptance of deposits with time restrictions, and at such an interest rate as to attract savings depositors, together with their present large holdings of the requisite classes of bonds, the way is easy for such further enactment by the Federal Government as will make the clear-cut segregation of savings deposits and assets in the member banks of the Federal Reserve System a matter of reality.

So far as providing for the investment of segregated savings deposits is concerned, it is just as well the National Banks located in central reserve cities are not permitted to make real estate loans, for it is questionable whether any of these banks even essay to compete with the many large savings institutions in such cities, which can offer high interest rates and specialize in that business.

The above mentioned legislation would practically do away with the objection we have heard to the effect that

(D) UNLESS ENACTED BY THE NATION AND VARIOUS STATES SIMULTANEOUSLY IT IS UNFAIR TO THE BANKS WHICH BECOME THUS RESTRICTED.

Prediction has been made that all State banks will eventually join the Federal Reserve System, and although considerable time may elapse before this desirable consummation can be wrought, the tendency of the respective States is toward uniform codes, and absolute segregation seems to be one of those matters which is receiving universal adoption.

As to the unfairness of the passage of the State law prior to the Federal law, or vice versa, Michigan Bankers have voiced themselves as fully satisfied with the present arrangement, and after nearly five years' operation in California my Los Angeles correspondent writes:

"California Bankers are very well pleased with the provisions of the California Bank Act."

Testimony of this character should be conclusive on that point.

(E) PREMIUMS ON BONDS LEGALIZED FOR SAVINGS DEPOSITS INVESTMENTS WOULD REDUCE INCOME ON SUCH BONDS TO AN UNPROFITABLE BASIS.

As heretofore indicated, the banking community already possesses a sufficient quantity of these securities to relieve any anxiety concerning a startling rise in their prices, and, moreover, the induction into commercial banks of the surplus funds of individuals through added security and other attractive features incidental to the installation of savings departments and the segregation of this branch of the business, would detract to some degree, at least, from investments in securities which these individuals had been wont to make. For example, people living in towns and parts of the country where they were not accessible to mutual organizations and from time to time purchasing U. S. Government 2 per cent., 3 per cent. and 4 per cent. Bonds in denominations of \$100, and multiples thereof at a high premium, would undoubtedly find it desirable to take advantage of the new savings facilities afforded by the local commercial institutions and by converting their funds relieve the strain in the demand for high grade securities. This may appear negligible, but the more widespread the segregation movement, the more apparent would be the reaction throughout the rural districts of our country.

(F) THE SCRAMBLE FOR MORTGAGES WOULD BE INORDINATE, AND FARMERS HAVE, IN MANY INSTANCES, AN AVERSION TO GIVING MORTGAGES TO SECURE THEIR LOANS.

Time was when a gentleman felt insulted if his banker questioned him concerning his personal affairs and wanted to know something about the capital and conduct of his business. Now we get itemized statements giving the fullest details and the borrowers also give references. Whereas the customer formerly felt it to be a reflection on his character that any security should be asked for a loan from one of his standing, he now sees to it that the character and margin of collateral demanded by the bank is carefully kept up. So, also, it is high time for the farmers to be educated in like manner. If they expect to receive the loan of the bank's good money, they must expect to give the trustee of other peoples' money a good right to their property.

As for the mad rush for mortgages on the part of banks, only one third of the time deposits (an insignificant part, ordinarily, of the total assets) of National bank members of the Federal Reserve System may be loaned on farm lands, and the majority of State laws respecting savings bank investments usually limit the loans on bond and mortgage to 50 per cent. of the banks' assets, the more liberal rarely exceeding 60 per cent., so that we can easily understand how slight is the foundation for alarm on this score when we consider the small proportion of savings deposits in commercial institutions, seldom exceeding half, and usually much less than that.

(G) THE CALL FOR SEGREGATION DOES NOT COME FROM THE PEOPLE, NOR FROM THE COMMERCIAL BANKS, AND THESE ARE THE ONES PRIMARILY AFFECTED.

The subject under discussion is not one to be hastily decided, and before its final disposition is settled, it is worthy of the mature reflection and intelligent consideration of experienced bankers who can view its many aspects in an understanding manner. The general public cannot and will not devote the necessary time and attention to anything seemingly abstruse, and which requires deep study, and yet does not seem to vitally affect them. The lack of interest displayed on the part of laymen, therefore, indicates ignorance as well as indifference, because the discussions have been confined principally to private conferences of bankers, bankers' conventions and the various legislatures. It does not follow, however, segregation would not be a good thing for the people.

Naturally, commercial banks, as a whole, do not insist on this, or any other legislation, which is going to place them under further restrictions. The viewpoint of this faction is illustrated by this extract from a letter written in the latter part of March by a bank president of Rutland, Vt.:

"Generally speaking, the efforts of any State or National Legislators to lay down laws for the proper conduct of a bank are futile. I refer now more especially to the detail workings of any bank, whether State or National. That there should be some restriction in a general way as to investments and reserve, goes without saying, but the enactment of laws for the management of a bank outside of that is impossible.

"The success or failure of any bank depends largely on the character, and judgment of the management, and not on bank laws."

Among the various letters received from different segregation States was one from New Haven, Conn., where such a law has been enforced since 1907. This shows a somewhat different view as follows:

"If a commercial bank is to receive savings accounts, there is no good reason why these savings should not be invested in accordance with the laws governing the investment of funds for regular savings banks."

Another reason why commercial bankers prefer not to stir up any legislation on this subject is because it might involve a little extra work for them and so they object to segregation on the grounds that

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(H) IT IS IMPRACTICABLE BECAUSE REQUIRING ADDITIONAL EMPLOYES, BOOKS, SPACE AND OTHER EXPENSES.

Practical experience has demonstrated that this is not a necessary concomitant of the adoption of such a scheme for handling the savings business. The same teller may attend to commercial and savings depositors over the same window, and the same bookkeeper may handle both classes of accounts, using distinct books, if the business of the bank does not warrant a division of labor.

But the ends more than justify the means. The satisfactory results fully compensate for the trouble of readjusting the bank's methods, and furthermore, if the savings department is properly boomed, the profits arising from the new business gained, should exceed any small increase in the running expenses.

(I) THE ADOPTION OF A SEGREGATION LAW MIGHT ALARM COMMERCIAL DEPOSITORS CAUSING THEM TO TRANSFER THEIR ACCOUNTS.

This objection appears ridiculous on its face because of the reassurance given commercial depositors that the savings depositors (who are apt to be much more excitable) cannot, in a sudden panic, withdraw their own money and also cash available for the commercial depositors.

Besides, if the movement for segregation is successful to any extent, to what other banks could the accounts be transferred? Before long they would all be on the same footing.

(J) GREATER PROPORTION OF CAPITAL AND SURPLUS TO DEPOSITS OF COMMERCIAL INSTITUTIONS OVER SAVINGS BANKS MAKES SEGREGATION NEEDLESS.

This is offset by the greater risk involved in commercial loans, and the wide fluctuations sometimes shown in commercial accounts, which are beyond restriction.

Conclusion.

Briefly, the results of the foregoing discussion may be summarized thus:

(a) Funds on which minimum interest of 3 per cent. is paid;

(b) Said interest to accrue on sums not to exceed, in any instance, the total amount of \$5,000;

(c) Withdrawable on demand only with the depositor's option of requiring notice of 30 days or more at any time;

(d) Requiring the presentation of passbook or similar form of receipt at the time of each and every deposit and draft thereon; and

(e) Which are solicited or received as savings; including all of these classes or any one of them, are savings deposits; whether accepted and acknowledged by a certificate of deposit, passbook, or in any other manner, and should be segregated as hereinafter provided; excepting in such institutions as are already amenable to the statutes of States where satisfactory segregation laws are now operative.

The depositors so placing these funds should have first claim on the assets representing these deposits alone, together with their pro rata share of capital, surplus and undivided earnings, but nothing beyond that until the legal claims of all other depositors have been fully met. This is the fairest method for all.

Savings deposits should be handled in a distinctive manner from the moment they are handed in to the teller, or received in the mail, until paid out to the depositor or his order. For this purpose separate records must be kept, showing, not only the details of deposits, but, also, of the investments and cash pertaining thereto.

These deposits should be invested in bond and mortgage, government, State, municipal, and first-mortgage railroad bonds, collateral loans, and a small proportion of commercial paper, the latter to be nothing less than two name paper of the highest grade, and all of these forms of investment to be determined as to ratio, in the light of local conditions and universal experience, in each individual State, by bankers and legislature in council. The customarily

inactive nature of savings accounts, together with time restriction privileges, renders long-term investments not only permissible, but, on account of their greater security, more desirable.

The sagacity and far-sightedness of the reader will undoubtedly lead him to concur in the opinion, based on the reasonings hereinbefore detailed, that everything is to be gained and nothing lost by THE SEGREGATION OF SAVINGS DEPOSITS IN COMMERCIAL BANKS.

GETTING ALONG IN BANKING

By Frank Beckwith, of Tuttle Brothers of Salt Lake City. An Article for Bank Men Who Draw Less Than \$100 a Month—Address Before Salt Lake City Chapter of the American Institute of Banking.

I WAS very much struck in reading again the JOURNAL-BULLETIN, issue of June, 1912, with the thought there given to us by A. C. Dorris;—one thought in it forms the basis of this contribution: "I believe that banking is to-day the best profession in which a young man can find himself. I believe that the chances for advancement are unequalled by any other profession, and this because we have such an organization as the American Institute of Banking. I have found in it the privilege of contributing my atom of effort to the advancement of its teachings, and that is a great privilege. I esteem it highly, for long since have I realized how very, very much it has meant and can mean to me and to you."

In full record with the spirit of Mr. Dorris' contribution, I would carry feet along the study path in this our chosen profession.

The study habit! Dwell on it a moment. Analyze the thought intended to be conveyed. The habit—"How use doth breed a habit in a man"—to study. The casual custom pursued until it becomes a second nature. Developed, the absorption draws the right kind of young men away from the tinsel things to the solidity of educational work. An education does not mean in pool or billiards, or squinting at the kitty. And a banking education can be got by study and observation in banking fields. Study of text books, and observation in the routine of your experience.

I have had the privilege of Chapter membership, I have had the benefit and stimulus of class study, but the most important factor toward getting the Institute Certificate, has been the study habit. That has fit exactly with either home study or with class work. And because of the importance of the study habit, especially in that branch of the Institute which primarily requires it as a foundation, I would like to talk to the younger men in banks to lure them into putting in their spare time in study. The Correspondence Course of the American Institute of Banking is particularly adapted to, and in fact insistently demands, the cultivation of and use of the study habit. There has been a great deal written in the columns of the JOURNAL-BULLETIN applicable to fostering interest in our Chapters, of engaging attention of mature men, and men well advanced in banking promotions; so this article will be directed to the young men of from fourteen to nineteen years of age, and especially to those of that age who are in the small towns, in the two- and three-men banks, so situated that they can't attend chapter meetings, can't receive the stimulus of class work, and who spurred by ambition must of necessity turn to the Correspondence Course of Instruction of the American Institute of Banking to win their promotions.

In just such a bank and just such a town was I situated in when the American Institute of Bank Clerks (as it was then called) was first launched in 1893; three men in the bank when business was brisk, but most of the time two; a town of 3,000 people, and 125 miles from a Chapter City. Our survey of the banking business limited entirely to the methods of that particular bank; our experience as that bank could give it to us. And how did we eke out? We hailed the means afforded by the Institute with delight, and started in to cultivate the study habit.

Every publication then printed under the auspices of the Institute we purchased.

These were carefully studied, the two of us taking turns in quizzing and answering; every bank form, bank practice and method, which we did not know of in our limited horizon, was sharply noted, and we put forth every effort to advance in a knowledge of banking. As a means of further broadening our outlook we purchased the following books:

How To Do Business, by Seymour Eaton.

Parson's Laws of Business.

Corporation Management, by Coynington.

Corporate Organization, by Coynington.

Warvelle on Real Property.

Tiedeman on Real Property.

Taylor on Private Corporations.

Cowdery's New Book of Forms.

Corporation Manual.

Kiester's Corporation Accounting.

Pratt's Digest of National Banking Laws.

Compiled Laws of Utah, and Session Laws following.

While the JOURNAL-BULLETIN is not hereby used to endorse or recommend any of the foregoing works, yet you young men can see the kindred books you should read in order to cover the field, and make your selections within the limits of your purses. The range of scope is nicely covered in the correspondence course, and embraces bookkeeping, banking methods, and commercial law, with enough detail in each branch to encourage the student to further prosecute his studies. You will notice in my own selection of books that the general plan of business and business law are put at the head of the list; study in corporations very important; real property if the bank is in an agricultural district and taking real estate mortgages; the law on National banks and the State Laws, and I find that one can go round and round in this list refreshing memory, and anticipating experience. Just as you look over Jones' work to lay the basis of getting Jones' job, so will you read up on the work ahead of you to be advanced, anticipating knowledge gained by experience by knowledge gained by study, and you will be surprised how much you can get from texts.

If your education in school carried you only as far as graduating from the Grammar Grade, take up English, letter writing, and arithmetic; if you graduated from High School, plunge right into the study course, and work to learn how to apply yourself in study in your chosen profession. Only so recently as while this article was being written, I received a letter from a young man in a city National bank saying that he found it hard to study spare time on what he worked at daily! Too often the case—but to garble Shakespeare a little,

That monster custom, who all sense doth eat
Of habits devil, is angel yet in this,
That to the use of actions fair and good
He likewise gives a frock or livery
That aptly is put on. Study to-night
And that shall lend a kind of easiness
To the next evening; the next more easy,
For use can almost change your habits of leisure
And advance you along the path of promotion
With wondrous potency.

Now, I want to speak to the young man still drawing a salary of two figures a month; so much is written of things higher up, so much higher up that the subject matter goes over the head of the young man to whom I address myself, that there is need of speaking to him directly of a position nearer to him—with the least possible gap between where he is now and the first opening ahead in official capacity.

What follows largely uses the pronoun "I," but I wish most carefully to crave leniency of theodium of conceit; how can I write of a subject that is best known to me by my own living of it except in the objectionable first person? But the pronoun "I" is used with the least thought of attaching myself to it—merely as experience given, in a range so close to the young man, that he can see it open to him. So with this explanation, let us proceed.

Nothing so builds to the future of a young man as does proficiency in his work, when he has the knowledge to hold down the job ahead of him, his merit positively will be detected, and the reward will be followed by a deserved promotion. That proficiency he should determine that he will get; the knowledge must be his; and the gateway of learning by correspondence instruction is always open; the text book will fit you. One employee can take it up, and by study receive the Institute Certificate; two can make it a pleasure, and enjoy every hour of the course. Only a few men are so constituted that study appeals to them; but, remember, the foundation of banking is laid in a knowledge of banking, and that young man who builds first a foundation by strict attention to study, is by it better equipped for any advancement in his profession. Speaking from the viewpoint of one who worked fourteen years in a small country bank of only \$50,000 capital, who was not a chapter member during that period, I can say that quiet home study (midnight oil) was more a factor toward getting the Institute's Certificate than even later class work in Salt Lake City. If I could only point the paragraph with the fitting thought it would surely pulsate with the inducement to enroll in the Correspondence Instruction Section, and the young man would go through with the course with an enthusiasm that knows no other goal than his certificate of completion—his written recommendation from our Association for promotion.

Where "inclination is as sharp as will," the young man will study. I bought every single book published by the Institute when it was first organized. I studied them; I dug out in the text the point arising during the day, and with head filled with the wish to know, set about to learn. My salary was \$75 a month. It was not enough and it was up to me to make it better. By hard study and concentration on the points arising during the day's business that I didn't quite understand, gradually I began to get the gist of the subject. Then I moved away for two years to get other experience; I went to "the City" and for two years got only \$70 a month. But I got experience—I saw, and I digested what I saw.

Returning again to the country, I got \$100; then came some side work, and for four years the salary never dropped below \$165.

But the study habit kept up. Never did I feel that it should be dropped. There was always something ahead to study up on. Now young man, to you, the man whose salary is two figures a month, this is a heart to heart talk with you, and leaves no gap between your position and the one I am writing of. We were both on a small salary; and you, too, must get more. And you can only get it in banking by knowing more than the job you're on. If the writers of National reputation tell in glowing colors of the young man who rose from the country bank to the position of president of the big city bank, Reynolds, for instance, the gap is so glaring that you and I don't emulate it. It doesn't appeal to us as being within our possibilities. But I wish to say only what is immediately before you and within your capability.

In the country town where I was raised there was no business college; but I had need to know typewriting and shorthand. There was no other way for it but to persist by self study and learn. So I took up the five-finger method of typing, bought a text book on shorthand, and diligently plodded—two straight years at the most laborious work I have before or since taken up. The result?—when I again went back to Salt Lake City I got \$125 a month as a private secretary.

Then came an opening again in the first-love, the chosen profession of banking, and I summarily quit, and took up a job as cashier in a little town in a bank so small that there is no assistant. But here arose the need of knowing land law; so, building on the study I had made before, I bought text books on Real Estate and greedily studied. Very soon, surprisingly so, I "caught the hang," and now feel no hesitancy in drawing deeds, escrows, agreements, etc., etc.

In the position of cashier in the country town, the cashier is expected to be a veritable encyclopedia

of knowledge; and he must live up to his reputation; quasi-lawyer, financial-fatherly-adviser, and the one person in the community to whom the customer will go for good work done faithfully, the demands on the bank cashier are most varied. He must know the law of his State on banking; on land; at least the rudiments of business law and contracts; he must be prepared to advise; his must nearly be omniscience. So he must study; he must read, study, reflect and digest.

You will now ask, What salary? It is still within your reach, not so large that you give it up as hopeless. \$1,800, and with prospects to run it up to over \$2,000. And a greater independence, a more full experience, and a growth in self-reliance.

Now my dear young man, don't live to cultivate the cue eye, nor be all absorbed with the fans. Enroll with the Institute members of your local city if it is a Chapter City; if you are a clerk in a country town, let this country town talk spur you to taking up the Corresponding Course of the Institute of Banking.

We are fellow craftsmen together, brother, you and I; study, learn, absorb. Be prepared. If promotion then doesn't come, seek it; if blocked where you are, certainly your bank is not the only bank in the whole wide, wide country. The history of any successful man shows that a prophet in his own country is without honor, and like him, you may have to take a job in another town to live fully up to your reputation.

"Better the dunce that's made to roam

"Than the dunce that stays at home."

I have hanging in the lobby of the little bank I am now with the framed Certificate of the American Institute of Banking, and it has helped me more, not only with directors, but as well with customers, to double my salary than any one other factor, EXCEPT STUDY, and by study it was got.

I sincerely trust that I will not be condemned for the much too frequent use of "I" in this article; most certainly there is no cause for conceit in the meager showing. But the writer's full purpose will be served if it will stimulate our young men to study; to enroll in Chapter, to enroll in Correspondence Study; in fact, to inspire the desire to benefit by the prescribed courses of the American Institute of Banking, in order to advance better capabilities, greater proficiency, and to secure promotion. And to that end I lay my appeal before the thoughtful young reader.

EQUIPPED FOR INTELLIGENT SERVICE

By W. W. Allen, of the Philadelphia National Bank
—Paper read before Philadelphia Chapter of the
American Institute of Banking.

ONE of the facts which seems to impress those in authority in our Banking Institutions is that many of the younger men so quickly determine their future for themselves. Judging by the theory that actions speak louder than words, they are content to be hewers of wood and drawers of water. By refusing to equip themselves for intelligent service they limit their usefulness.

Banking has always been an honorable profession. It enters so vitally into the economic, social and political life of the nation that one is amazed at its vastness and importance. Its mastery is a challenge to any man, and calls for a life's effort. Besides the three main lines of banking which we call Commercial, Savings and Fiduciary, with their clear lines of demarcation and their separate reasons for existence, there are so many shades of public and corporation finance, as well as investment banking, that the subject is not only interesting but fascinating.

Perhaps the very trouble is that the subject is so vast and deep that it is difficult for the ordinary man to get either a clear vision or a bird's-eye view. Consider, for instance, the divergent lines in a single institution which devotes itself to one line of banking, say the commercial. In the first place, the mere

matter of book-keeping, or the system by which the figures get to their right places in the respective departments, and these in turn work their way finally into the general ledger of the bank's accounts, is a large subject in itself. Think of the different, and frequently unlike, operations by which these debits and credits work. Simply the study of the net-work of these methods is enormous. Again, consider the operations, both mechanical and mental, involved in the transactions of the loan and discount departments. Here most of the money is made or lost. Think of the principles involved in the proper working of a credit department and an accurate analysis of the financial standing of borrowers. Consider what is necessary to a proper understanding of the mere buying of paper in the open market. How carefully a man must study it to understand the operations and the theory of the foreign exchange department! How essential it is that one have a fair knowledge of the laws governing the receipt of deposits and collections and payment of money on the same! How fundamentally necessary it is to have a thorough understanding and proper appreciation of the law of negotiable instruments, which knowledge in itself underlies one whole side of the banking business! How is it possible for a man to learn these and many other things and their proper relation to each other in the business in which he is engaged? Banking is harder and more complex today than ever before. Certainly a man now-a-days cannot, by experience alone, pick up sufficient knowledge to give him a fair perspective. Life is too short; and he does not have a chance at all the departments.

Why not let him profit by the observation and experience of others? Why not set this before him by capable instructors? While he is in the very atmosphere and can appreciate illustrations from and explanations of his daily toil, why not show him the reasons for the things he does, and allow him to ask questions freely? Knowing why makes doing easier. Why not unite these men who need a broader vision into congenial groups and teach them principles and reasons?

The answer is—we do. The American Institute of Banking was founded primarily for this very purpose, and for over a dozen years has been giving the men in this profession an opportunity to broaden their vision, deepen their knowledge, and increase their efficiency. A good motto for the work which is being done would be these words, "Equipped for intelligent service." We are all keen about making a living; indifferent about making a career. It is a mistake to say that being an Institute man will put you ahead, but the experiences of recent years have proved it to be the case that the training of the Institute is calculated to make a man put himself ahead.

It is hoped that some day our courses will be four instead of two, still done, perhaps, in two year's time. Although this subject has been seriously discussed, it still seems far ahead of us. A splendid arrangement for a standard course would be to have two classes of the first year (and each throughout the year) on (1) Economics generally, and (2) Commercial Law (except Negotiable Instruments); while in the second year the classes would be (1) The Theory and Practice of Banking, and (2) The Law of Negotiable Instruments. Upon this firmer foundation could well be built the Post-graduate work of the History and Principles of Banking in this and foreign countries, and the writing of the thesis for the title of Associate.

The writer once knew a lady who, on her trips to the city, would sometimes see displayed an article of hand-work or a finished garment which attracted her attention. Observing it closely, she would carry that pattern in her eye. At home she would make a similar article. But she always, from the first stitch, had the finished product in mind; and she never failed to bring it out right. This article is written with the hope that it may encourage some to desire the broader view, the deeper insight; and to keep the finished product continuously in the mind's eye.



INSTITUTE A.I.B. CHAPTERGRAMS

Chaptergrams must be received by the Educational Director of the Institute not later than the 28th of the month preceding publication.

CONVENTION ARRANGEMENTS.

Itinerary Provided by the Transportation Committee
—Choice of Routes Affording Opportunities to See the Marvelous Southland.

MISTER BANK CLERK, where are you going to spend your vacation? Are you going to the seashore where the mosquitoes play havoc with your somnolent seances; to the mountains where your most strenuous pastime is sitting on the front porch chewing tobacco or amusing yourself in some such playful manner; or to the country where each morning you are aroused from your sweet slumbers by the vociferous but perfectly natural conversation of the pigs and chickens, listen to the crickets and bullfrogs in the twilight, and go to bed when the sun is slowly sinking in the west because the bugs are so bad you can no longer sit on the front porch?

Why don't you spend your vacation attending the convention of the Institute at Dallas, September 22, 23 and 24? Why don't you combine into the period allowed for your physical recuperation, the social and educational advantages to be derived there? Why not go and meet the boys you met at Salt Lake



ORIENTAL HOTEL.



HOTEL ADOLPHUS.

City two years ago and Richmond last year? You don't want to forget them and they don't want to forget you. If you have ever attended an annual convention of the Institute, you will want to attend this one; if not, you don't know what you are missing.

New Orleans, "The Crescent City," the city of Creole-Spanish architecture, also Creole belles, extends to you an urgent invitation to partake of her hospitality en route to the convention; and promises a day of sight-seeing under the guidance of the Chapter boys.

Then on to Dallas. You remember what the man at Richmond promised to show us in Dallas? Senoritas. We will also have free automobiles, cabaret, dancing and bronco-busting. After the convention we will visit Fort Worth, Waco, "the Geyser City," San Antonio, with its ancient missions and the historic Alamo, Houston, Galveston, the battlefield of San Jacinto, and other places of interest too numerous to mention. Then return from New Orleans on one of the luxurious steamers of the Southern Pacific Company. (This isn't meant to be a steamboat ad—it is descriptive only.) "One Hundred Golden Hours at Sea." Only 17 days for the entire trip. Think of it! Leave New York Friday evening, September 18th, at 4:35; arrive New York Monday, October 5th, at 7:00 o'clock in the morning. Take your family. If you have no wife—well, get one. Below you will find two tentative schedules made up by the Transportation Committee for the Eastern Delegates. The first is designed for those who wish to visit New Orleans and take advantage of the invitation of the

Chapter there to spend a day as their guests. In this connection it will be well to bear in mind that should you return by way of New Orleans after the Texas tour and take the boat from that city, very little time can be given to sight-seeing. The second schedule is intended for those Eastern delegates who will not find it convenient to leave New York before Saturday evening, and go direct to Dallas, without stop-over.

It is also well to bear in mind that should you not intend returning by boat, you can go via New Orleans, take the Texas tour, and return home by rail within two weeks.

Not all of the Passenger Associations have acted on our application for reduced fares, and will not

Convention, Wednesday, Sept. 23d.
Convention, Thursday, Sept. 24th.
Visit Fort Worth and Waco Friday, Sept. 25th.
Visit San Antonio Saturday, Sept. 26th.
Visit Houston and Galveston Sunday, Sept. 27th.
Remain in Galveston until Monday, Sept. 28th, 5:30 P. M.

Leave Houston Monday, Sept. 28th, 7:20 P. M.
Arrive New Orleans Tuesday, Sept. 29th, 9:25 A. M.
Leave New Orleans (Southern Pacific Steamer) Wednesday, Sept. 30th, 10:00 A. M.
At sea Thursday, Oct. 1st.
Friday, Oct. 2d.
Saturday, Oct. 3d.
Sunday, Oct. 4th.
Arrive New York Monday, Oct. 5th, 7:00 A. M.
Total time of entire trip, 17 days.



HOTEL SOUTHLAND.

until some time next month. The Circle tour to Texas is to be arranged by the Dallas Committee and details will appear later.

Schedule No. 1.

VIA NEW ORLEANS.

Leave New York (Pennsylvania Depot) Friday, Sept. 18th, 4:35 P. M.
Leave North Philadelphia Friday, Sept. 18th, 6:38 P. M.
Leave West Philadelphia Friday, Sept. 18th, 6:52 P. M.
Leave Baltimore Friday, Sept. 18th, 9:20 P. M.
Leave Washington Friday, Sept. 18th, 10:45 P. M.
Leave Atlanta Saturday, Sept. 19th, 5:20 P. M.
Arrive Montgomery Saturday, Sept. 19th, 9:55 P. M.
Arrive Mobile Sunday, Sept. 20th, 3:25 A. M.
Arrive New Orleans Sunday, Sept. 20th, 7:50 A. M.
Remain in New Orleans until 7:00 P. M. as guests of the New Orleans Chapter.
Leave New Orleans (Texas & Pacific R.R.) Sunday, Sept. 20th, 7:00 P. M.
Arrive Dallas Monday, Sept. 21st, 6:10 P. M.
Convention, Tuesday, Sept. 22d.

Schedule No. 2.

VIA ST. LOUIS.

Saturday, Sept. 19th.

Leave New York.....	5:30 P.M.
(Pennsylvania Railroad.)	
Leave Philadelphia.....	8:03 P.M.
Leave Washington	7:00 P.M.
Leave Baltimore	8:05 P.M.
Leave Harrisburg	10:40 P.M.

Sunday, Sept. 20th.

Arrive Pittsburgh	(E. T.) 4:35 A.M.
Leave Pittsburgh	(C. T.) 3:45 A.M.
(Via Pennsylvania Lines.)	
Leave Columbus	8:50 A.M.
Leave Indianapolis	2:15 P.M.
Arrive St. Louis (Union Station).....	8:25 P.M.
Leave St. Louis	8:32 P.M.

Monday, Sept. 21st.

Arrive Dallas, Texas.....7:30 P.M.

CONVENTION SESSIONS

Tuesday, Sept. 22d, Wednesday, Sept. 23d, Thursday, Sept. 24th.

Friday, Sept. 25th.

Visit Fort Worth and Waco.

Saturday, Sept. 26th.

Visit San Antonio.

Sunday, Sept. 27th.

Visit Houston and Galveston.

Sunday, Sept. 27th.

(Via G. H. & S. A., H. & T. C. and M. K. & T.)	
Leave Galveston	9:35 P.M.

Monday, Sept. 28th.

(En Route.)

Tuesday, Sept. 29th.

Arrive St. Louis (Union Station).....	7:51 A.M.
Leave St. Louis	8:44 A.M.
(Via Pennsylvania Lines.)	

Wednesday, Sept. 30th.

Arrive New York (Pennsylvania Station)...1:45 P.M.

Delegates.

EACH CHAPTER IS EARNESTLY REQUESTED TO FORWARD AT ONCE TO W. W. SPAID, CARE W. B. HIBBS & CO., WASHINGTON, D. C., THE NAME AND ADDRESS OF EACH DELEGATE AND ALTERNATE CHOSEN FOR THE DALLAS CONVENTION.

ALBANY.

By Alfred L. Taylor.

THE last meeting, but one, for the season 1913 and 1914 was held at the National Commercial Bank on the evening of Thursday, May 21st, and was a lively and enthusiastic one, for we listened to the interesting reports of our officers and chairman of committees, and elected our officers for the coming season.

The officers' report show that much effort had been taken to give us a good idea of the condition of chapter and what had been accomplished in the past year, and was delivered in such manner as to hold the attention closely to the end.

We regret that the year's work is so near a close and that we will have to suspend our class room studies for a while, and that our able and conscientious officers are to step down and be replaced by new ones.

Leo K. Fox, as chairman of the study committee, said that: "As the season draws to a close, it gives me much pleasure to report that the Educational Committee has been very much pleased with the support given in the Study Course by the members of the Chapter as shown by the attendance at the classes."

Although this has dropped considerably in the last six weeks, yet the record is by no means a poor one.

Now that the end of the two years' course is near, we can say a word about it. The members who have taken advantage of this opportunity for study in proportion to the membership of the chapter, has not been as large as we would like to have had, but we are not discouraged and hope that the seed we have attempted to plant will not fail to bear fruit in the future and that many who have not attended will see their mistake and do differently next year. It has been a chance of a lifetime when you consider the ability of the two men who have conducted the course for us.

No one has been forced to take the examinations and we are sure all who attended couldn't help but be benefited to some degree. However, what we have lacked in number we have made up in enthusiasm, and I feel that all the members of the study class will bear me out when I say: "Not one of us would change the associations of the past two years for any previous experience."

Our list of speakers has included bankers, lawyers and politicians, namely, George Lawyer, George B. Wellington, Hon. Martin B. Vanderzee, O. Howard Wolfe and James H. Perkins.

The talks they gave us were interesting, instructive and of great value.

We are hopeful that the work which has been so successfully started may be continued with even greater results. But in order to do this, all must put their shoulder to the wheel and be prepared to take up the work in the fall with renewed vigor and a deeper interest. Twenty-one lectures have been conducted so far with an average attendance of thirty-five, and we hope to end the course about June 11th, and hold the examination shortly after at the Albany Law School.

As Chairman of the Educational Committee, I heartily thank the members of the committee for their willingness to serve and the able and conscientious assistance rendered me. Much of the success obtained has been due to their support and encouragement. No meetings were necessary as the work assigned to each was done with pleasure, promptness and dispatch.

It is with regret that I sever my connections with them, as chairman, and I sincerely hope that if ever again I am called upon to assume the chairmanship of a committee, it may be my good fortune to be favored with another of such sterling quality.

Following the report of the Educational Committee, came the reports of Membership Committee and the Treasurer's.

The election of officers resulted as follows: President, Henry B. Rockwell, New York State National Bank; 1st Vice-President, Geoffrey J. Smith,

National Commercial Bank; 2d Vice-President, Harry Smith, Union Trust Company; Treasurer, Edwin Steller, National Commercial Bank; Secretary, Alfred L. Taylor, National Savings Bank. Executive Committee: John C. O'Byrne, First National Bank; Leo K. Fox, Union Trust Company; Frank Sherry, Manufacturers Bank, Troy, N. Y.; Edward Corrie, New York State National Bank; George Wilkinson, 1st National Bank; Mills Ten Eyck, Albany County Savings Bank.

The congratulations of the members are extended to George B. Wilkinson upon his well-deserved advance in banking endeavor. He leaves us with the best of good wishes for great success to take up the duties of cashier of the First National Bank of Amsterdam.

Mr. Wilkinson was one of our organizers and our first president and an enthusiastic member of the Chapter. There was always sure to be something doing when he officiated. We will miss him greatly in the coming season, but it will be our great pleasure to hear from him in his advanced place in banking circles. He is also a member of the Savings Bank Club of Albany and the old Guard Troop "B."

John C. O'Byrne, Edward Corrie and John Trowbridge have signified their intention of going to the convention at Dallas, Tex.

ATLANTA.

By Vaughn Crowley.

SINCE our last writing we had the pleasure of hearing O. Howard Wolfe, Secretary Clearing House Section of the American Bankers Association, address the Atlanta Chapter on the Federal Reserve Act, Relation of Country Banks to City Correspondents, and Check Collection Machinery. Mr. Wolfe is a man who has made this subject a study and is thoroughly familiar with every phase of the law. We hope it will be our pleasure to have him with us again on his next visit to our city.

Interest in the Study Class under the leadership of Robert Parker is growing and the boys are doing some good work. We will have one more lecture and then a review of the course before we take the examinations. President Townsend deserves a great deal of credit for the enthusiasm and interest which he has instilled into the Chapter, as a greater part of our membership are young men who have not learned to look on the serious side of life and who are hard to interest in a thing which will require study on their part. We do not mean by this that our young men do not wish to better themselves by taking advantage of these opportunities, but in the South the bank clerks are as a rule several years younger than in the East and the West, and we have this difficulty which the chapters in these sections do not have.

The annual A. I. B. Picnic will be at Warm Springs, Ga., on June 3d. We have arranged to have a special train and have engaged the hotel's orchestra and ballroom for the day. Tickets include dinner at the hotel. We have invited the Macon, Ga., clerks to join our party there and have challenged the Bankers' Team of Macon to play an All Star Team of the Bankers' League of Atlanta a game of baseball, but at this writing we have not heard if they are going to accept our invitation. It will add a great deal of pleasure to the day if they do join us, as a number of our boys have friends in "and around" the Macon banks.

The annual election of officers will be held at the regular business meeting next month.

BALTIMORE.

By Theodore C. Thomas.

BALTIMORE CHAPTER has closed one of its most successful seasons. All of the various classes have ended, examinations have been held, and now we are all looking forward to the summer holiday, and to DALLAS!

The educational work of the Chapter was highly gratifying. Thirty-one members of the Law Class took the examinations and all passed. The following members of the class were successful: J. L.

INCLUDING BULLETIN OF THE AMERICAN INSTITUTE OF BANKING

Hoffman, Jr., Homer B. Shaffer, Arch. B. Winder, H. Clarke Jones, Lewis Kurtz, C. Leland Getz, N. G. Read Mullan, M. H. Courtney, Jr., Godfrey Herden, Chas. G. Eigenbrot, Fred DeM. Bertram, Thos. D. Hayleck, Henry E. Spamer, J. P. N. MacNeal, E. P. Smith, J. H. Hopkins, Fletcher H. Long, C. Constantine DeRosa, Edgar L. Heaver, Benj. H. Heath, Jas. H. Dorsey, Henry W. Franz, G. Milton Brooks, W. W. Wilhite, J. Harry Rigger, Jos. C. W. Field, W. Melvin Jett, Frank P. Stewart, Chas. O. Kieffner, J. Louis Schwab, Henry J. Dinenbach.

The prizes, which were offered by our good friend, Waldo Newcomer, president of the National Exchange Bank, were won by Chas. Leland Getz, Lewis Kurtz and Thomas D. Hayleck. Messrs. Getz and Kurtz each received the same average, and the first and second prizes of \$25 and \$15, respectively, were divided between them. The third prize amounted to \$10.

The Post Graduate work, under Dr. Whitney of the Johns Hopkins University, was also successful. About ten of the Chapter's Post Graduates took up the work of the class, studying "Money and Banking," by White.

The Public Speaking and Debating Class, under Mr. Hickman, showed wonderful results of its first year of existence. The most pleasing feature of this class was the victory won over the Debating Team from Philadelphia. Baltimore Chapter well feels proud of this class, and we are looking forward to the next season, when we expect a large number of the members to take up the work.

Our open meetings this year have been very interesting and instructive. A good line of speakers was secured and up-to-the-minute speeches were made by some of the best men to be obtained. Particularly good talks were made by Senator Owen on the "Banking and Currency Bill"; Geo. E. Allen on the "Institute"; Dr. Bartlett P. James, an illustrated talk, with moving pictures, on the "Glacier National Park"; Senator Burton on the "Effect of the Federal Reserve Act on the Business of the Country," and Director-General Barrett of the Pan-American Union, on "The Panama Canal and Pan-American Commerce—What They Mean to Baltimore," at our banquet; and H. A. Tingley, of Robert Garrett & Sons, on "Freight Rates."

Our annual excursion was held on May 30th, and was, as usual, a splendid success. We carried a large number of our members and their friends to old Tolchester Beach.

The election of officers for the next year will be held in June. As there are several candidates in the field for the various offices, it seems likely that there will be a very spirited contest.

Our delegates to the Dallas Convention will be selected at the July meeting of the directors.

In closing, we would like to express our appreciation to the officers who have so successfully piloted the Chapter through one of the best year's work of the Chapter. Much credit is due our worthy president, John A. Graham, whose untiring efforts in behalf of the Chapter have resulted in placing the Chapter on a high plane. We would also extend our heartiest thanks and appreciation to Albert N. Smith, chairman of the Educational Committee. The splendid success of the Law and Public Speaking Class shows that Albert was ever on the job in the interest of the educational work of the Chapter.

Well, here's best wishes to all our friends in the other Chapters, and looking for you at the DAL-LAS Convention.

BOSTON.

By Robert H. Bean.

AFTER a season of activity the annual meeting and election of officers on May 11th brought to a close the fifth administration of Boston Chapter. The final meeting of the year, held in our "Home," 37 Central Street, was a night of good fellowship, during which the utmost harmony prevailed. The reports of the department heads revealed to those who had not been in intimate touch with Chapter affairs the remarkable advance in every

line of Chapter work and spread upon the records a story worthy of the men who had been at the head of committees.

Chapters never succeed for any length of time under a one-man policy, nor are men developed and made to realize their possibilities unless they are given the opportunity to do hard work. The splendid results in 1913-1914 were produced by men who willingly made great sacrifices of time and energy to make good in their particular department and it is to the credit of the members of Boston Chapter that many of these men have been chosen to direct the policy of the organization in the coming year.

The election of officers resulted in the choice for president of Frank W. Bryant, of the Second National Bank, who was first vice-president and chairman of the Educational Committee during the past year; for first vice-president, Gordon E. Musselman, of Lee, Higginson & Co. Mr. Musselman was for the past year chairman of the Membership Committee and was largely responsible for the remarkable growth of new members. For second vice-president, Charles A. Rouillard, of the National Shawmut Bank. Mr. Rouillard's service to the Chapter, as a member of the Educational Committee, has been of the highest order of quality, and he will prove to be of great value in the new administration. For secretary-treasurer, Charles W. Stevens, of the Old Colony Trust Company. The combination of these two offices was brought about under the new incorporation plan and Mr. Stevens' fine work as secretary made his selection for the new office a logical one. The members of the Board of Governors, elected to serve for three years, are: G. S. Bartlett, Boston Five Cents Savings Bank; George H. Cummings, Exchange Trust Company; G. B. Lord, Safety Fund National Bank, Fitchburg; E. G. Randolph, American Trust Company; Harold A. Yeames, Webster & Atlas National Bank.

At the conclusion of the business meeting, light refreshments were served, and through the courtesy of the Victor Phonograph Company, a fine Victrola concert was enjoyed.

President Bryant has had a long association with Chapter work, and assumes his new duties with a thorough understanding of the Institute and the ambitions of its leaders. His high ideals and the business-like conduct of affairs, which came under his direction in the past years, assures the Chapter and the Institute of a very able administration.

Considerable interest is being manifested by those of our members who are planning to go to the Convention in September. Owing to the uncertainty as to which route will be finally suggested by the National Transportation Committee, nothing more can be done at present than to urge the importance of attending the convention and promising an early announcement of the transportation plans. That the Chapter will be represented by a good-sized delegation, there is no doubt, but the number will depend somewhat upon the route chosen and the number of days needed to make the trip. The sentiment in favor of a direct route to the Convention City is very strong, and it is hoped that the committee will make a favorable decision on this matter very soon.

The Richmond Convention Trip of 1913 brought together nearly fifty of our members and their wives, and at the suggestion of several of the party, a reunion is being arranged to take place on Saturday, June 13th. The programme includes an afternoon sail in the harbor, landing at Nantasket for dinner and followed by dancing in the evening. As the party will include many of the past and present Chapter officers, the outing will present an opportunity for a discussion of policies and politics, both local and national.

BUFFALO.

By John J. Healy.

ON Thursday evening, May 14th, Buffalo Chapter held its Annual Banquet at the Hotel Statler. About 120 members and friends of the Chapter, including many of the officers of our local institutions, were gathered together. We were

also honored by having many out-of-town guests, among them being: George E. Allen, Educational Director, American Institute of Banking; Fred W. Ellsworth, Manager New Business Department, Guaranty Trust Company of New York; and O. Howard Wolfe, President New York Chapter.

Messages of regret were read from Harold J. Dreher, President American Institute of Banking, and from one of the members of the local Chapter, W. H. Young, who is traveling, which showed they were with us in spirit.

Those present partook of a most pleasant and delightful repast, intermingled with vocal and instrumental music, in which all joined.

President James Rattray presided and acted as toastmaster. He reviewed briefly the year's work and the plans for next year. He spoke with appreciation of the loyal support given the Chapter by the local banking institutions and made a strong plea to the bank men to merit the confidence that has been reposed in them by joining the Chapter and taking advantage of the great educational opportunity that is at their door, calling attention to the fact that only about 10 per cent. of the bank men in the city were now availing themselves of the splendid educational facilities afforded by the American Institute of Banking.

He said, in part: "The American Institute of Banking is now a very able and active power in our banking system. In every trade, in every business, in every profession, special training is necessary in order to get anywhere. Banking is a profession that requires a vast amount of knowledge. Only those who have endeavored to secure it know how much, and while the routine work of a bank is no doubt essential, by virtue of that alone no man is likely to progress very far."

The first speaker of the evening was George E. Allen, Educational Director of the American Institute of Banking. He explained fully the aim and object of the Institute and why every bank man should take an active interest in it.

The next speaker was Elliott C. McDougal, President Bank of Buffalo. He spoke on "Knowledge is Power," relating his own early experiences in the banking business and the greater need of education to the bank man of to-day, because of the greater difficulty there is to-day to obtain a comprehensive knowledge of banking in the bank alone. He said, in part:

"With regard to the subject that has been given me, 'Knowledge is Power,' I do not know as there is much to be said, except to state and restate that sentence which is the subject. You all know it. You all know that, take two men of equal ability, the man who is most efficient, who accomplishes most, is the man who has acquired knowledge. If he has taken the trouble to add to his stock of knowledge, to get information and train his mind, he is the more valuable man."

"As you all know, bookkeeping cannot be learned in a bank. The work is so divided and skeletonized it is impossible to get a comprehensive idea of bookkeeping. A little knowledge of the practice of bookkeeping is always a good thing."

"There is one thing where you gentlemen have the advantage in studying banking questions over the average man. If you see a photograph of some scenery you have never seen before, it does not impress you much. But suppose you have traveled in the Rocky Mountains; you have seen and enjoyed this scenery, and then look at photographs of it; they mean more to you."

"It is the same way when you are learning bookkeeping. You are in the work every day and it is more real to you; more interesting, and you ought to get more good out of your studies."

"What bank clerks need is to learn to think. For instance, you get too much in a habit in banks of getting into a routine. We have got to learn to think when we do our business and not do it just because we are in the habit of doing it."

"Knowledge of that kind will make a more valuable employee. You all realize the more you know in your business and the more you apply that knowledge

to your particular work, the more worth you will be."

The next speaker was Frederic W. Zander, President Zander Plumbing Supply Company. His subject was "In Lighter Vein." He won the hearts of everyone with his brilliantly humorous and witty remarks anent the power and opportunities of the banker. His imitation of Daniel Webster's famous speech at Rochester, wherein Webster paid his great tribute to the wonderful waterfalls of the Genesee River, was a most amusing piece of work and elicited much laughter.

Following Mr. Zander's witty remarks, Fred W. Ellsworth, Manager New Business Department, Guaranty Trust Company of New York, who spoke on "Building the Business of a Bank," gave some very clear and logical reasons why a bank should advertise, and how. He said, in part:

"A bank should advertise: First, because it is its duty. A bank should make known its facilities to the people of the community. Not all of those services are known to them.

"Second: Every national and state bank is compelled by law to advertise its condition four or five times a year. If it is wise and good and proper to advertise when compelled to do so by law, why is it not sensible and honorable and ethical to do a little volunteer advertising at other times in the year?

"The third reason is that banks in this country that advertise are the banks that are growing.

"A bank has no business to advertise unless it has three fundamentals. These are: Personality, Strength and Service.

"By personality, of course, we mean personality in its board of directors, in its officers and in its clerks, a personality which inspires confidence in the community.

"A bank must have strength. It must also have service, the ability to give service; and in considering this fundamental we come up against the American Institute of Banking. The men who are making good to-day in the banks are the men who know and who know that they know and have secured that knowledge through either the American Institute of Banking or some kindred organization.

"In newspaper advertising we must first attract the attention of the reader. The next thing necessary is to have the message contained in the advertisement of such a character that after the reader has been attracted to it he will become interested in it. Then he must not only become interested in it, but it must be of such a character as to compel him to act.

"There are three things to be considered: First, the message, second, the manner of display, and third, the position.

"The advertisement must compete with the news columns and should be made somewhat similar to them, but set off in such a manner from the rest of the reading matter as to attract attention. The best position, of course, is on the front page, but most newspapers will not give that space to advertising. The next best position is on the local page.

"You must join the personality, strength and service of your bank and go after business with all three together, then you will not only deserve business, but you will get it."

O. Howard Wolfe, President New York Chapter, then gave a very interesting and instructive talk on the subject of "Doing Your Own Thinking."

He spoke briefly in regard to the new Federal Reserve Act and the events leading up to it, stating it was based on the early experiences of the country, and in considering that act, it is essential to consider and study those events and the objects of the act in order to get a clear understanding of it. He said, in part:

"The Federal Reserve Act in the first place was written for a definite purpose, and, therefore, the most logical thing to do to begin with is to determine what that purpose is, and the easiest way to illustrate that is to refer you to the events of 1907. Briefly, it was to prevent a recurrence of those conditions, and conditions similar, that the Federal Reserve Act was written primarily."

"Therefore, if you are ever in doubt as to the meaning of any phrase or clause in the Act, always go back to the purpose of the Act, the intention. Do not stop and quarrel with a word or phrase, but keep the purposes in mind where there is any doubt.

"The three great changes in principle contained in the Federal Reserve Act are: First, the creation of an open discount market. Second, the concentration and mobilization of reserves. Third, a more scientific and elastic note issue.

"Bankers, to make a profession of their business, have got to make a study of it, have got to do their own thinking. One trouble with the bank clerk of to-day is that he thinks he can get all the banking he needs right in his own bank. But he cannot. If you are going to raise banking to a profession, you have got to study, and study hard."

We were also honored with the presence of F. D. Whitney, President Rochester Chapter.

The final examination in the Law Course, which took place on May 23d, marked the close of a very successful year.

Our membership has been steadily increasing and at the opening of the Banking and Finance Course in the fall, many new members are expected.

Fifteen members tried the Law examination. Five of those, upon passing, will be graduates of the Institute, bringing our total graduates to fifteen.

At the last business meeting of the Chapter, held May 21st, the following officers were elected for the ensuing year: President, Harry G. Hoffman; Vice-President, Henry H. Halm, Jr.; Secretary, Godfrey F. Berger, Jr.; Treasurer, Edward R. Thurn. Executive Committee: James Rattray, Alva L. Dutton, John J. Healy.

Harry G. Hoffman, president, was also elected delegate to the convention to be held at Dallas, Tex., with Henry H. Halm, Jr., as alternate.

President Hoffman also attended the banquet of the Rochester Chapter at the Powers Hotel on May 25th and reports having spent a very enjoyable evening.

CHATTANOOGA.

By Carl G. Smith.

BY the time this comes out in print the annual election will be a thing of the past as far as 1914 is concerned. "Annual Election" may sound like a tame affair, but sounds don't go for much, at least in this case they don't. Several of the candidates were out weeks before the election working in truly political style, viz: "settin' 'em up," offering the cigars and pledging their support and strength to those others who happened to be out for office if they in turn would only give their aid in electing that particular man.

All candidates are confident they will be elected, and we only hope they could all be for we have a very fine class of men nominated for next year's work.

We have completed the law course for this year so the lecture room will be dark for the rest of the summer. Personally, and I speak the sentiments of quite a few "regulars" of this year, I have gotten more real good out of this year's work than all the other years I have had the pleasure to attend put together. We have had our lectures presented in an explicit way by an excellent man, a man who knew what he was talking about and knew how to talk it, and by one who has had the actual experience and who could add that personal touch that only the man with the experience can add. The Chapter will have to get a mighty good man for next year's lectures if it cares to keep up the pace Mr. Durham has set for us this year.

Several of the students have already signified their intention of taking the examination this year, and all others who so desire had better let Mr. Durham know as soon as possible so he can have enough copies on hand when it is pulled off.

DALLAS.

By W. J. Evans.

DALLAS CHAPTER was honored on May 5th with a very instructive and entertaining talk on the subject of "Bank Publicity" by the Institute's well-known expert on that subject, Fred W. Ellsworth, of New York City. In addition to expounding for us the true gospel of modern business building methods, Mr. Ellsworth unlimbered several corking good stories from his boundless fund of wit and humor to the huge enjoyment of our boys. Earlier in the day he was an honored guest of the Texas Bankers' Convention, at Fort Worth, where he was one of the principal speakers of the day.

On the night of May 21st we held our second adding machine contest in the current series. A handsome loving cup is offered to the contestant who wins three of these contests, and as P. S. Walker, of the City National Bank, has won twice, it seems now that he will become the permanent owner of the prize.

Our law and banking classes are pursuing the even tenor of their way, and are now in the throes of final preparations for "exams." We hope to make a good showing when the papers are graded.

Convention preparations are now under way in earnest. Mr. Keith, our chairman of the General Arrangements Committee, has announced the final selection of the various sub-committees and their chairman, to whom will be delegated the various details of preparing for and entertaining the delegates of the National body.

With the idea of inducing as large an attendance as possible, some special and unique features are being planned for this convention, looking to the convenience, comfort and pleasure of the delegates, and with the perfection and announcement of these plans it is confidently expected that there will be a general response on the part of Chapters throughout the country in the way of increased delegations. It is the ambition and hope of those in charge of arrangements that the Dallas Convention will set a new record for attendance.

With this idea in view, a new departure will be tried out in the matter of handling the problem of registration, baggage and hotel assignments, the details of which will be announced in the near future. The plan under consideration has the approval of men who have attended our conventions for many years, and it is their opinion that it will result in practically the total elimination of the usual delay, confusion and annoyance incident to the arrival and disposition of delegates and their impediments.

Another unique feature contemplated by the Local Entertainment Committee is a mysterious function that is being planned by Dallas Chapter for the second night of the convention. The nature of this event is being withheld until all details have been completed. I violate no confidences, however, in saying that it is something never heretofore undertaken at a convention of any kind, and, strange as it may sound, although it is being projected as the strongest card of the many pleasant entertainment stunts being concocted for the visitors by Dallas Chapter, if the present plans are carried out the inevitable success and all credit therefor will be due, not to Dallas, but to the A. I. B. at large.

Still another "extra added attraction" will be the "circle tour" of Texas, which will immediately follow the closing of the convention. Details of this interesting excursion will doubtless be found in these pages from the chairman of the Transportation Committee. Supplementing his announcement, we desire to urge that all delegates avail themselves of the opportunity to make this interesting trip. Both from the standpoint of pleasure and of education, it is one which our visitors cannot afford to miss, as it is the logical outcome of the sentiment which largely dominated the selection of Dallas as the next convention city, namely, to spread the influence and ideals of the institute in this new and growing section of our country, and, in turn, to enable the delegates to acquire at close range a helpful and educational knowledge of the conditions and characteristics of the Southwest.

This circle tour has become an established fea-

ture of all the large national conventions which gather in Texas and has invariably been the subject of enthusiastic comment and approval.

Delegates to the Dallas Convention who contemplate making this trip at the close of the convention, are requested to notify M. B. Keith, care Guaranty State Bank and Trust Company, Dallas, as soon as they reach a definite decision in the matter, as it is essential that he have this data in hand at the earliest date possible, in order to make the proper reservations and arrangements.

Ticket arrangements must be made through him, and not through the railway people in your home city.

Elaborate entertainment by Chapters along the route of this tour is already being planned for the tourists.

DENVER.

By Marsdon E. Weston.

AT the Annual Election of Denver Chapter held on May 13th the following officers were elected for the ensuing year: President, Sever Daley, Pioneer State Bank; Vice-President, Roy Clarkson, First National Bank; Secretary, C. R. Cotton, Federal National Bank; Financial Secretary, Carson R. Perkins, Central Savings Bank; Treasurer, J. E. Hanley, Denver National Bank; Member Colorado Bankers' Association Executive Council, R. M. Crane, First National Bank.

The following delegates were elected to represent Denver Chapter at the Dallas Convntion: W. O. Bird, Colorado National Bank; Sever Daley, Pioneer State Bank; C. A. Land, Interstate Trust Company; J. N. Quinn, United States National Bank; Roy Clarkson, First National Bank; Charles R. Patch, German American Trust Company; A. E. Ferguson, First Nat. Bank, Englewood, Colorado.

Denver wants the convention in 1917. Our delegates will not formally extend the invitation as early as this; however, from this time on, they will go to the conventions with this in mind.

The methods employed in the Educational work here this year proved very successful. Twenty men are just completing the prescribed course in Economics and Banking. In order to secure the very best talent possible, this course was divided into three subcourses. Professor D. Shaw Duncan of the University of Denver conducted that part of the course pertaining to Economics; Professor G. A. Warfield, also of the University of Denver, had charge of the subjects of Exchange, Money, Credit and Banking, and President R. M. Crane of the Chapter and also a lecturer in the School of Commerce department of the University of Denver, conducted the Practical Banking division of the course. The Prescribed Course as conducted by Denver Chapter covers two years. One year is consumed by the Law Course and another year by the Economics and Banking Course. Denver Chapter A. I. B. is gaining recognition, locally, as a fountain of learning and the new administration is studying plans for broadening the scope.

The annual convention of the Colorado Bankers' Association will be held at Colorado Springs June 19th and 20th. Denver Chapter of the A. I. B. is a Section of the C. B. A. with representation on their Council, and will have a half day on their program at this convention.

Chapter men here were delighted early this week to hear of the election of H. J. Alexander to the presidency of the First National Bank of this city. Mr. Alexander stands high wherever he is known as a cultured gentleman of honor and great business ability, and he assumes this large responsibility with wide experience, having been associated with M. D. Thatcher of Pueblo in the banking business at Trinidad and later was the organizer, vice-president and active manager of the Capital National Bank of Denver, lately merged into the First National Bank of which Mr. Alexander has become the head.

The First National Bank is an historic institution, having been organized in the pioneer days of Colorado, and ever since that time has been a powerful

force behind the development and advancement of this State.

Mr. Alexander has been an associate member of the A. I. B. ever since the organization of Denver Chapter, and his great popularity among the members is due to his friendly attitude and the keen interest he has always shown in Chapter affairs. We of Denver Chapter are delighted over Mr. Alexander's success, and sincerely wish for him the continued good fortunes which he thoroughly merits.

Another event of unusual interest to Chapter men was the recent re-organization of the Denver Stock Yards Bank. The new officers are: Orville R. Jones, President; F. J. Denison, Vice-President; J. C. McEllherren, Cashier.

The retiring president, Charles Fletcher Jr., has gone to Omaha to head one of the large banks in that city. Mr. Jones was promoted from the position of Cashier and Mr. McEllherren from the position of Assistant Cashier. Mr. Denison was formerly Assistant Cashier of the First National Bank, Denver.

All of these gentlemen have been factors in the growth of Denver Chapter A. I. B. and we bespeak for the Denver Stock Yards Bank the success which the ability of these gentlemen will certainly bring to it.

HARTFORD.

By Wilbur F. Lawson.

AT the annual meeting, held May 26th, the following officers were elected for the ensuing year: President, George F. Kane, Society for Savings; Vice-President, Wilbur F. Lawson, First National Bank; Secretary, Calvin C. Bolles, State Bank and Trust Co.; Treasurer, Clarence T. Hubbard, Security Trust Co.; members of Board of Governors for two year term, Wilbur S. Sherwood, Connecticut Trust and Safe Deposit Co., Edward R. Barlow, Fidelity Trust Co. President George F. Kane was elected delegate-at-large to the Dallas convention.

Hartford Chapter met New York Chapter in debate at New York, May 19th, the subject being: "Resolved, That the United States should permanently retain the Phillipine Islands." The Hartford boys successfully proved to one of the judges that the Phillipines should be permanently retained but were unable to convince the other two gentlemen of the fact and so were defeated. The half hour deliberation of the judges before a decision was announced was some consolation to the Hartford team. However, the question of victory and vanquished was soon forgotten and Broadway with its restaurants, cabaret shows, dansants, etc. etc. was turned over to us and partaken of until long after the wee small hours had made their appearance. The Hartford boys only regret that they will be unable to reciprocate in so royal a manner when New York Chapter returns the visit in another year.

KNOXVILLE.

By E. I. Brown.

THE annual meeting and election of officers of the Knoxville Chapter was held on May 19th, at the Chapter rooms in the Holston Bank Building, with a good representative turn-out. After the transaction of the general business of the Chapter the following men were chosen to handle the affairs of the Chapter for the coming year: President, Z. J. Shriver, East Tenn. National Bank; V.-President, L. L. Worrell, Union National Bank; Secretary, E. I. Brown, Holston National Bank; Treasurer, W. E. Luttrell, East Tenn. National Bank. Board of Governors: J. A. Wallace, Jr., Mechanics Bank & Trust Co.; George L. Ogdin, City National Bank; A. Y. Russell, Holston National Bank; W. R. Jett, Union National Bank; Floyd E. Haun, Knoxville Saving Bank.

Frank Disney of the East Tenn. National Bank, and Floyd E. Haun of the Knoxville Savings Bank were elected as delegates to the National convention in Dallas. Z. J. Shriver, President Elect, will also rep-

resent the Knoxville Chapter at the convention as delegate at large.

From every angle the year just closed has been a most successful one, and all those taking an active interest say they have derived a great deal of benefit from the work.

Hugh L. Vance as Chairman of the Educational Committee has given the Chapter a most successful year and is to be highly complimented upon his work.

This year it is planned to study a more advanced course in commercial and banking law.

LOUISVILLE.

By V. F. Kimbel.

WE have held our last meetings for this year and twelve men have taken the examination in Banking, although their records have not yet been received.

May 20th was known as election night, and the following men were selected by Louisville Chapter as officers for the year 1914-1915: Val Franck Kimbel, President; Wm. Borgerding, Vice-President; E. A. Converse, Jr., Secretary and Leslie W. Eggers, Treasurer. Those men who were elected as delegates to the Dallas Convention are: C. H. G. McKeldin, W. J. Receveur, Wilbur I. Newhouse and V. F. Kimbel.

The annual reports of the retiring officers showed that although this Chapter has not made the record we might hope, yet this year has been a little better than any of those preceding. Louisville Chapter is just six years old this month, but its active life was not begun until the Fall of 1908. During the past year we have had an average membership of about fifty men, and an average of twenty-seven at the meetings. Our Treasurer's report also showed that we were in fairly good financial standing.

In accordance with our custom the next chapter meeting will be held early in the Fall. It is the hope of the new officers that before that time we shall have received suggestions of how to make a small chapter grow by those who have tried and succeeded. If you have some plan that has worked in your chapter please let us hear from you.

MINNEAPOLIS.

By A. V. Smith.

THE last meeting of Minneapolis Chapter was held at Dayton's tea rooms on Thursday evening, May 21st. There was a good attendance and some excitement, as this was the date of the annual election. After a good dinner, the president, Lester T. Banks, summarized the year's work, and after other business was attended to, the results of the election were announced. The officers and delegates are as follows: For President, Walter C. Hall, First National Bank; Vice-President, C. B. Brombach, Security National Bank; Recording Secretary, L. E. Younggren, Metropolitan National Bank; Corresponding Secretary, S. J. Fitzsimmons, Northwestern National Bank; Treasurer, J. C. Smith, Union State Bank; Executive Committee, Lester T. Banks, Northwestern National Bank, and A. E. Lindjhem, Scandinavian-American National Bank; Delegate to American Bankers Association Convention, Richmond, Va., Lester T. Banks; Delegates to American Institute of Banking Convention, Dallas, Texas—Lester T. Banks, Northwestern National Bank; John Bobb, Security National Bank; C. B. Brombach, Security National Bank; R. M. Chapman, First National Bank; W. C. Hall, First National Bank; Charles Harrison, Security National Bank; T. L. Lee, Savings Bank of Minneapolis; John Plant, Security National Bank; J. E. Stoddart, Minnesota Loan & Trust Co.; R. T. Swanson, Northwestern National Bank; L. E. Younggren, Metropolitan National Bank.

This year has more than fulfilled the hopes and ambitions of the officers, and although the number of graduates was not as large as it was last year, we will undoubtedly have six or eight names to add to the list of certificate holders.

NEW ORLEANS.

By Jos. J. Farrell.

NEW ORLEANS CHAPTER is now in the midst of one of the hottest political campaigns waged in its history, and all candidates are laboring under awful suspense, awaiting the decision of the members, as evidenced at the election on the 30th.

We were fortunate in having Arthur McGuirk address the May meeting, as that gentleman is one of our most prominent attorneys, as well as the instigator of the present "bridge across the Mississippi idea," in which all live New Orleans citizens are vitally interested.

The Banquet is now looming large on the horizon, and all indications point to the fact that this is going to be the most successful in the career of New Orleans Chapter, not only as to nourishment, but also as to attendance and ability of speakers.

At the last meeting of the Board of Governors, the entertainment to be provided for the delegates en route to the Dallas Convention was decided on, the following being the proposed program: Automobile tour of old French and Spanish quarters, Creole luncheon at Spanish Fort, Automobile ride through modern section, Boat ride on river to inspect harbor. We trust the above will be sufficiently alluring to attract a large number of the fortunates who will attend the Convention, and assure them they will never regret having taken advantage of our invitation.

NEW YORK.

By Harold S. Schultz.

THIS is the beginning of the fifteenth year of New York Chapter's activity and the past few weeks have been filled with new plans and ideas. The first step toward the fulfillment of these plans was taken on the evening of May 19th, when new officers were installed and new governors elected. It is with pleasure that we present to the Institute at large the following line-up as official representatives of Institute work in New York for 1914-15:

President, O. Howard Wolfe, American Bankers Association; 1st Vice-President, J. A. Seaborg, Bankers' Trust Co.; 2d Vice-President, Milton W. Harrison, Brooklyn Savings Bank; Treasurer, L. H. Ohlrogge, National Park Bank; Secretary, Harold S. Schultz, Attorney, 52 Broadway; Chief Consul, I. H. Meehan, Farmers Loan & Trust Co.; Secretary to the Board of Consuls, A. F. Johnson, Irving National Bank; Librarian, G. A. Kinney, Hamilton Trust Co.

New York Chapter's success during the past year has been signal in all directions. The attendance at the classes has been greater than ever before and the continuity of effort which has made this success possible is the result of the constant care and remarkable executive ability of Mr. Wolfe.

He began his work as a successor to Mr. Hudson, and therefore has been president for only part of a term. In view of this fact, together with his general experience along educational lines, and considering the responsibility which New York Chapter now requires of its leader, he is unquestionably the right man in the right place.

Mr. Seaborg has long been an active worker for New York Chapter's interests. As a member of the Board of Governors of long standing, he has served on various important committees and is thoroughly familiar with the ins and outs of the work.

M. W. Harrison is well known to us all. He is on the Transportation Committee and is making preparations for the trip to Dallas.

No change occurs in the secretaryship.

L. H. Ohlrogge was Librarian for two years and is really responsible for the well lined book shelves that we have. He has also been a faithful worker for New York Chapter's interests as a member of several important committees. This has given him the keen understanding of our financial needs which fits him for the position of Treasurer.

G. A. Kinney is a man who does much and says little, and is responsible for the valuable Consuls' records compiled this year.

I. H. Meehan, besides accomplishing marvelous results in his own bank, has been a familiar figure at Consuls' Meetings in the past two years. With his ready smile and hearty cordiality he is just the man to lead Consuls' activities next season.

A. F. Johnson has made things hum at the Irving this year and is a familiar figure at the Chapter rooms. His forte is Public Speaking and Debating. He also is on the Transportation Committee.

The following men were elected governors for the next three years:

B. P. Gooden, New Netherland Bank; C. F. Manchon, Union Exchange National Bank; B. S. Miller, Chemical National Bank; William Clements, Dry Dock Savings Bank; T. F. Costello, Empire Trust Co.; J. B. Birmingham, Citizens Central National Bank; George P. Kennedy, Century Bank; L. A. Mershon, U. S. Mortgage & Trust Co.; C. C. Putnam, Brooklyn Savings Bank, and C. C. Seifert, Mechanics & Metals National Bank.

It will be noted that all except three of these men have been Governors before, and inasmuch as their renomination depended upon the services rendered by them, there need be no further proof of their qualifications. The new men on the list are: J. B. Birmingham, Citizens Central National Bank; B. S. Miller, Chemical National Bank, and L. A. Mershon, U. S. Mortgage & Trust Co.

Each of these men is known to the membership at large and each of them has contributed much of time, service and thought to the welfare of New York Chapter, and it is with pride that we welcome the benefit of their experience on our Executive Board.

Hartford vs. New York.

The debate on May 19th between Hartford Chapter and New York Chapter on the resolution that "The United States should retain permanent possession of the Philippine Islands" was won by New York Chapter. That the contest was keen and close is evidenced by the fact that the judges were not unanimous in their decision. Nevertheless, New York Chapter is thankful and her team is to be congratulated, the more so because it is the first debate won in a long, long time, one defeat by Hartford and two defeats by Philadelphia having been scored against us previously to this. There is little doubt now in the minds of all those interested but that our new debate section under the leadership of Dr. Whitehall and Geo. W. Wright, chairman of the section, is growing to be an efficient organization and one to be heard from in the future.

Hartford argued the affirmative side of the question and New York the negative.

The personnel of the teams were as follows:

Hartford—C. C. Bolles, Wilbur Lawson, C. T. Hubbard.

New York—J. M. Lotsch, A. E. Lobeck, Deutsche Bank, and J. W. Truempy, Winslow Lanier & Co.

The Judges were—Dr. John Franklin Crowell, Wall Street Journal; John Harsen Rhoades, Rhoades & Co., and Thomas B. Paton, General Counsel, American Bankers Association.

President Nickert, of Philadelphia Chapter, acted as timekeeper.

A large and enthusiastic audience encouraged the debaters by its applause.

While the judges were making up their minds as to which of the two teams had most thoroughly proven its contention, Mr. Hubbard, of Hartford Chapter, entertained us with a number of excellent tricks. Those who were at the Richmond Convention will remember the powers of Mr. Hubbard along this line and can appreciate to some degree the pleasure that he afforded the members of our Chapter present on this last occasion.

A number of our boys had the pleasure of spending several hours with the Hartford boys before and after the debate, and it is their desire to be able to entertain them again.

Examinations.

While it is comparatively easy to prophesy and to feel that everything is moving smoothly and the work progressing, it is a slogan of the day that "results" are the best proof of success in any line. New York Chapter believes that the class records for the year 1913-14 will stand any test that may be put upon them to show that the educational objects of the American Institute of Banking are being well fostered in the Metropolis.

Fifty-five men of this year's class are now qualified to receive Institute Certificates. There are several others to be added when the entire list is finally made up. At the present writing it is impossible to give the names of all, so it is deemed wise to wait until a later issue when New York Chapter graduates for the year will be published. For the first year class 136 men took the examination in Practical Banking and of these 111 passed the examinations, and having fulfilled the requirements as to attendance are now qualified to enter the second year class next fall.

In comparison with previous years these results show a marked advance and yet they are only an indication of the possibilities of this work. The large field from which New York Chapter draws its men is indeed an inspiration for continual effort. The courses to be presented next year should be even of greater value than those which attracted such a large number during the past season.

Prizes.

The award of \$25 in gold which has been made annually by Mr. James G. Cannon for the best paper on a given subject was won this year by Mr. Edward Vanderpoel of the National Bank of Commerce. The subject was "The Segregation of Savings Deposits in Commercial Banks." Mr. E. G. McWilliam in making the presentation outlined the active interest which Mr. Cannon has ever taken in Institute affairs and explained the thorough procedure of the Board of Judges in awarding the prize. Special stress was laid upon the excellence of the paper presented by Mr. Vanderpoel. In fact, Mr. McWilliam highly praised the papers of all the contestants and especially mentioned the papers submitted by Clarence W. Capes, Bank of Manhattan Company; Henry E. Burr, Fifth Avenue Bank, and O. W. Eggleston, Jr., Fifth Avenue Bank, as deserving of honorable mention.

The Practical Banking prize of \$10 for the best examination paper submitted in the first year course by two of the past presidents, was presented by President Wolfe to Mr. W. F. Wilson, of the Chase National Bank. He received a mark of 95 per cent., the highest in a class of 136, and deserves the praise of all.

The anonymous prize of \$10 to the most deserving student in the English and Public Speaking Class, was awarded by Dr. Whitehall to Mr. George F. Brophy, of the American Savings Bank. Mr. Brophy's constant application to work and his effective address in the final contest for this prize gives him first rank as a student.

Of those who successfully passed the examinations for the Institute Certificate, Mr. David M. Cross, of the Fifth Avenue Bank, heads the list with a mark of 98.5 per cent. H. P. Davis, of the Chase National Bank, was second with a mark of 98 per cent. It is a remarkable fact that Mr. Cross had the highest mark in the First Year Course last season and won the Practical Banking prize. He stands right at the head of his class for his two years of attendance at New York Chapter and in addition to this he won the Cannon prize last year for having submitted the best paper on "The Problem of Collecting Transit Items."

New York Chapter is proud to have on its rolls a record of this kind, and Mr. Cross personally, and also the Fifth Avenue Bank are to be congratulated.

Convention News.

Milton W. Harrison is making the dust fly in all directions by his whirlwind campaign for delegates

to Dallas this fall, and there is no doubt but that he is covering a great deal of ground. Just recently he has issued a call for fifty loyal Institute men to register at once their intention of making this trip and has given to the members of New York Chapter many good reasons why they should take advantage of this splendid opportunity to see the great Southwest. The cost for a round trip is approximately \$150. Two routes have been arranged, viz., (1) over the Pennsylvania R. R. via St. Louis to Dallas. Leave New York on Saturday, September 19th, at 5:30 P. M., and arrive at Dallas on Monday, September 21st, at 7:30 P. M. (2) Southern Railway, Sunset Limited (Special), via Washington-Atlanta-New Orleans to Dallas—12 hours at New Orleans—leaving New York Friday, September 18th, at 4:35 P. M., arriving at Dallas Monday, September 21st, at 5:30 P. M.

A number of excellent side trips and return routes are suggested by the committee, and in fact every plan has been made to insure the comfort of the delegates.

Fred. W. Ellsworth, of the Guaranty Trust Company, recently returned from Dallas, stocked with information and glowing accounts of the plans now being made to occupy every moment of the three days which the delegates will spend in that city. A number have already signified their intention of going, and there is no doubt but that more will follow. A more attractive proposition is seldom put up to a man. If you believe that you can go or are trying to make up your mind, get in touch with the members of committee, and let them help you to decide.

Of General Interest.

Mr. James H. Van Bramer, for several years associated with the Irving National Bank, is now cashier of the First National Bank of Pearl River, Pearl River, N. Y.

The best wishes of New York Chapter follow Mr. Van Bramer in his new field, and we all look forward to a prosperous bank at Pearl River under his administration.

Another Irving man, Mr. L. D. Dixon, has accepted the cashiership of the First National Bank, Fort Lee, N. J. Mr. Dixon has been a member of New York Chapter for some time, and it is a pleasure to watch how our Chapter men progress up the ladder.

Mr. John H. Thompson, of the Guaranty Trust Company, Fifth Avenue branch, is now paying teller at that institution.

New York Chapter regrets the loss by death of one of its prominent and active members, Mr. Edward F. Burns, formerly with the American Exchange National Bank.

Mr. Burns was vice-president of that institution for many years and was actively interested in Institute affairs.

OAKLAND.

By Theo. Jenkins.

ON Wednesday, May 13th, Oakland Chapter held their annual election for Officers of Chapter and Delegates to the Dallas Convention. The following candidates were successful, and were elected for the next year. John S. Killam, President; J. E. Gustafson, Vice-President; Theodore Jenkins, Secretary and Treasurer. Board of Governors: Paul Otey, L. J. Younce and G. L. Pape were elected and Messrs. Ernst and Freehan held over from last year. Delegates to the Dallas Convention were elected as follows: F. N. Cerini, G. R. Gilmour, W. F. Morrish, E. A. McCormick, A. E. Caldwell, Thomas Watson, J. S. Killam, John Campi and Theodore Jenkins.

Oakland Chapter hopes to send as many as possible to the Convention in September. Mr. Killam is planning to make his term of office as successful as his predecessor, Mr. Morrish, whose work during the past year was most successful.

PHILADELPHIA.

By Carl H. Chaffee.

PHILADELPHIA CHAPTER closed the season's work with a Smoker, held on the night of the Annual Election. A record attendance of about 400 was reported, and the number of votes cast was the highest in the history of the Chapter, being 568 out of 895 members. The balloting was done by mail and this method has proved highly satisfactory.

The results of the election follow: President, Frank C. Eves, West Philadelphia Title & Trust Co.; Vice-President, Carl H. Chaffee, First National Bank; Secretary, Anthony G. Felix, Central National Bank; Treasurer, Norman T. Hayes, Philadelphia National Bank; Asst. Secretary, John C. Wallace, Philadelphia Trust Safe Deposit & Insurance Co.

New members elected to the Board of Governors to serve three years were R. C. Alexander, Central National Bank; David Craig, Tradesmen's National Bank; Frank C. Eves, West Philadelphia Title & Trust Co.; Harry J. Haas, First National Bank; John C. Wallace, Philadelphia Trust, Safe Deposit & Insurance Co.

The following were elected Delegates to the Annual Convention of the American Institute of Banking to be held in Dallas, Texas, September 22-24; R. C. Alexander, H. St. Clair Ash, M. E. Benton, James B. Borden, Wm. M. Cart, Carl H. Chaffee, A. H. Coate, David Craig, H. E. Deily, Paul B. Detwiler, B. E. Effing, Wm. S. Evans, Frank C. Eves, Charles A. Faloon, Anthony G. Felix, C. W. Fenninger, John C. Frankland, R. U. Frey, Harry J. Haas, Norman T. Hayes, John C. Knox, Harry Kollock, G. W. Lichtenberger, Jordan Matthews, Eugene J. Morris, David J. Myers, Wm. A. Nickert, T. W. Scattergood, Chas. F. Shaw, Thos. W. Smith, J. G. Sonneborn, John C. Wallace, O. Stuart White.

PITTSBURGH.

By H. C. Pearce.

WE are now nearing the close of our Educational year and we have covered all the ground which we had set ourselves. True, it is, that at some of our Lectures the attendance has not been so large as to be a flattering compliment to the speaker; nevertheless, I think the President, the Chairman of the Ways and Means Committee, and the Debate Committee have all equipped themselves of their duties in a very creditable manner, and deserve great praise.

On April 28th, Mr. Beck gave us his eighth Lecture on Political Economy, dealing with the Labor Movement—its Unions, and the Objects aimed at by them—the employers' objections to Unions—effect of Unions on Wages—Unsocial activities of Unions—Labor Legislation.

Mr. Beck was followed by J. R. Conrad who continued his Lectures on Law, his subject being "Estates by Descent."

On May 5th, our Open Night, we conducted an Adding Machine Contest. We had a fair attendance, and after some few remarks by the President, the boys got busy on the Contest. The winners were as follows: 1. A. T. Tyler, Union National Bank; 2. A. J. Ritchie, Monongahela National Bank; 3. G. L. Ritchie, Peoples National Bank; 4. B. G. Dodds, Peoples National Bank; 5. J. G. Saint, Anchor Savings Bank. Honorary Mention—H. D. Johnston, Merchants Bank.

On May 12th, Mr. Beck's Lecture in connection with Political Economy comprised "Business Organization and Trusts" wherein he pointed out that co-operation in industry has been generally adopted, wherever seen to be possible, as experience has shown that larger production has been secured thereby. He said also that the disadvantages of corporations include:

1. Diffused responsibility.
2. Control by one man for stock market purposes.

3. Misuse of borrowing power.
4. Unproductive efforts in Stock gambling.
5. Disregard of public interests.

Mr. Beck explained to what extent profits of trusts resulted from unjustifiable business practices—differences between vertical and horizontal combinations—monopolies—limited by the possibility of competition, the power of substitution—legal interferences, etc.

Mr. Conrad's Lecture on Liens and other Encumbrances followed. The Lectures on Law are as well attended as Mr. Beck's Lectures, and to some of our members are more useful in their business.

On May 19th, the last Lecture Night, we had a good attendance, although there was quite an element of canvassing for the Election which took place on the 26th instant.

Mr. Beck's Lecture was on Socialism. This was his tenth and last Lecture on Political Economy. He commenced by giving a definition of Socialism, and explaining the various kinds, following which he showed to what extent existing evils can be and are being remedied without Socialism, such as Child Labor and Woman Labor Laws, Labor Union Activity, Legal Minimum Wage, Insurance, Arbitration of Labor Disputes, Government regulation of Public Service Companies, Changes in Taxation, etc. Also whether Socialism was a practical solution to existing evils—the Theoretical Bases of Socialism—Economic Determinism—Relation of Socialism to the family, the marriage relationship and to the State.

Mr. Conrad also gave us his last Lecture in connection with the Law course, his subject being "Titles."

The annual Election of the Officers for the Chapter was held on May 26th, voting being from 4 to 8 P. M.

The result was as follows: President, H. E. Reed, Union National Bank; Vice-President, E. A. Owens, City Deposit Bank; Secretary, Paul F. Tessmer, Colonial Trust Co.; Treasurer, Donald A. Mullen, Real Estate Savings & Trust Co. Directors: P. S. Space, Fidelity Title & Trust Co.; J. M. Luther, Farmers Deposit National Bank; Chas. L. Werner, Duquesne National Bank; A. L. Stephenson, Anchor Savings Bank; John T. Peters, Colonial Trust Co.; Bert A. Herrod, First-Second National Bank.

PORLAND.

By G. C. Blohm.

THE past month has marked a new mile stone in the progress of the Portland Chapter which was organized in October, 1908, with a membership of about sixty members and is now an incorporated body with about two hundred and ten members. The growth of the chapter had rendered inadequate the by-laws which governed this organization and in order to best carry on the work of the Institute a committee was appointed to draft Articles of Incorporation and by-laws which were presented before the chapter at a meeting on April 27, 1914. After several changes the above were accepted and were submitted to and approved by the executive committee.

The lecture course of the past year came to an end with the conclusion of the examinations held Tuesday evening, May 5, 1914. Twenty members of the class were successful in passing the examinations, of whom ten are entitled to certificates issued by the educational department of the Institute. This gives the chapter a total of thirteen certificate holders.

The annual election was held May 19, 1914, for the purpose of electing directors and delegates. The officers elected for the coming year are: Fred I. Weber, President; Roy M. Doble, Vice-President; L. E. Cable, Secretary and Edward R. Morris, Treasurer. The delegates to the National Convention at Dallas are: Fred I. Weber, President; Thomas H. West, Earl W. Hammond. Delegates to the Oregon State Con-

vention are: Fred I. Weber, President and A. R. Stringer.

The annual banquet was held in the Blue Room of the Multnomah Hotel, Monday evening, May 25, 1914. The entertainment committee furnished a program which was of the best and a fitting Prologue to the most successful affair of this kind the chapter has yet held. A. M. Wright, the chapter's first President, served as a most able toastmaster. Entertaining speeches of very great interest were made by Dr. Wm. T. Foster, President of Reed College, C. S. Jackson, Editor of the Portland Journal; Dr. A. A. Morrison of Trinity Church and L. H. Woolfolk of Seattle, Vice-Chairman of the Executive Council of the Institute.

RICHMOND.

By Jesse F. Wood.

RICHMOND CHAPTER and its invited guests—about 250 in number and merry as bankers can be—gathered at the annual dinner of the organization at the Jefferson Hotel on Tuesday evening, May 5, 1914, to eat hearty and exchange jests and to hear the addresses of two speakers hailing from cities, which since the announcement of the Federal reserve districts, have appeared frequently in Richmond's company.

Richard H. Edmonds, of Baltimore, brought to the gathering an inspiring picture of the South as the nation's bank with its practically untouched resources and its open road to wealth and independence. Mr. Edmonds is editor and general manager of the Manufacturer's Record. He spoke with the breadth of view and with the sound respect for statistics that was to have been expected of the publisher of the South's foremost commercial journal.

Edward James Cattell, statistician of the City of Philadelphia, brought the congratulations of the Quaker City on Richmond's achievement and conveyed Philadelphia's expression of confidence that Richmond will measure up fully to her new dignity as a centre of finance.

Philadelphia, he said, has not the slightest doubt that Richmond will be able to furnish the banking service that the organization committee expected of it when it designated it one of the twelve reserve centres.

Congressman Andrew Jackson Montague who had been expected to make an address had been called to Washington in the afternoon and could not get back in time to attend the dinner.

Toastmaster Thomas B. McAdams expressed Mr. Montague's regrets at his inability to be present and transmitted his good wishes.

Song sheets carrying the choruses of popular melodies was placed at every plate encouraging the diners to join in a vocal accompaniment to the orchestra.

The occasion was very enjoyable and everyone expressed the opinion that it was a great success.

The following officers were elected at our regular meeting held on the 19th at the Business Men's Club. President, Warren M. Goddard, First National Bank; Vice-President, George S. Barnard, Merchants National Bank; Secretary, Jesse F. Wood, Richmond Bank and Trust Co.; Treasurer, George T. Mattern, Central National Bank. Board of Governors—Harry Augustine, A. L. Archer, G. A. Peple, Russell Gregory, Preston Watt, together with the above named officers. Delegates to the Dallas Convention—George H. Keesee, Warren M. Goddard, George S. Barnard, John M. Miller, 3d, Jesse F. Wood, A. L. Archer and Carter Talman.

Both the outgoing and incoming Presidents spoke encouragingly and hoped for the Chapter a successful year.

President Keesee was given a rising vote of thanks for the splendid work he has done for the Chapter while President, and every one regretted exceedingly to see him relinquish his position as the head of Richmond Chapter.

ROCHESTER.

By William H. Stachel.

THE annual banquet on May 25th, the first event under the auspices of the new administration, was a marked success. The attendance of 250 included many officers and directors as well as large numbers of out-of-town guests.

We were honored by the presence of George J. Skinner, First Deputy Superintendent of Banks, who in a most clear and interesting manner outlined the new State banking law. This is the first time Mr. Skinner has spoken in this end of the State during his long connection with the Banking Department.

Joseph French Johnson, Dean of New York University School of Commerce, spoke on "Adjustment of Business to Modern Conditions."

Among other guests were our educational director, Harry G. Hoffman, President of Buffalo Chapter, and Millard R. Ames, President of Syracuse Chapter, and George E. Allen, educational director of the Institute. Mr. Allen enlivened the occasion by a short, practical address on the value of Institute work. "Some men still object to book learning, their contention being that experience is the thing which is needed. Now what is this theory, so called, which is objected to? It is simply experience put into print to enable the student to benefit by the mistakes or successes of others. Experience is necessary, but much painful experience may be avoided by profiting from the experiences of others as recorded in these study courses."

The next big move of our new president, Frederick D. Whitney, will be to take in the Dallas convention. Every prospect is for a big year ahead.

SACRAMENTO.

By C. W. Lauppe.

THE thoughts and efforts of the Sacramento Chapter for the past month have been centered about the annual banquet which was held May 9th. J. E. Huntoon, Cashier of the Peoples Savings Bank, acted as toastmaster. Hon. Duncan E. McKinlay was the principal speaker of the evening. Without declaring his opinion, Mr. McKinlay very clearly presented the "Panama Canal Tolls Controversy." He not only explained the present situation, but gave a most interesting history of early contemplation of canal construction in the Isthmian territory, and the various treaties bearing thereon, also other matters of international concern to be considered in the tolls problem. Mr. McKinlay's statements instilled into his listeners an incentive for deeper study of the question and an idea of true patriotism.

W. F. Morrish, C. M. Curran, G. Downing, R. A. Newell, J. L. Killam and Wm. A. Day of San Francisco, Oakland and Berkeley, Alden Anderson and E. A. Brown of Sacramento, also gave to the members some valuable information for chapter work.

Increased interest is evident in the study class and the education committee expects to have the class prepared sufficiently in another month to stand the examination test, after which the term will close.

The membership of the Chapter now numbers one hundred and three of a possible one hundred and twenty-five. A membership campaign is being waged and within a few months, many new applications will have been received.

Interest in an adding machine contest is being aroused. A. May of the National Bank of D. O. Mills has the matter in hand and will designate a date for the event in the near future.

ST. LOUIS.

By Fred J. Miller.

THE Annual Banquet of St. Louis Chapter was held on Tuesday evening, May 12th, at the American Hotel Annex. R. S. Hawes, Vice-President Third National Bank, was Toastmaster and credit is due him for the able manner in which he introduced the various speakers. The

speakers of the evening were Judge Selden Spencer, his subject being the new City Charter. In his address he showed the weak points of the present City Government and illustrated by comparison with other large cities the advantages to be gained under the new Charter which will be submitted to the voters shortly.

Eugene Angert, a prominent attorney of the city, kept the boys in jolly spirits for a half hour by reciting parodies on the banking business.

A. H. Roudebush, former City Associate Counselor, spoke at length on the work of the Commercial Law Class during the year. Thirty-eight stood the examination of which we are justly proud. Great interest was manifested in this class during the year and we look forward with pride to having quite a number of new certificate holders in our midst shortly.

A. O. Wilson, Vice-President of the State National Bank, spoke at length on his pleasant relations with the Chapter and its work. Mr. Wilson was followed by Wm. McC. Martin, Vice-President of the Mississippi Valley Trust Company, who installed the officers for the coming year. They were as follows: President, J. E. Uhrig, St. Louis Union Trust Company; Vice-President, Fred J. Miller, Mercantile Trust Co.; Secretary and Treasurer, Frank N. Hall, Mechanics American National Bank.

Board of Governors—Frank Ball, Mississippi Valley Trust Company; Elmo Chenu, National Bank of Commerce; Harry W. Lang, South Side Bank; B. J. Lazar, Mechanics American National Bank; Griffin McCarthy, Jefferson Gravois Trust Co.; O. A. Rowland, Mississippi Valley Trust Co., Chas. Schacht, Franklin Bank; C. W. Wright, Third National Bank.

Delegates to the Dallas Convention are as follows: Henry Ahle, L. C. Bryan, F. N. Hall, Franklin Johnson, Fred Krieger, Geo. P. McAndrew, Oscar Morris, Byron W. Moser, C. W. Wright, L. M. Carr and W. R. Dorris.

J. E. Uhrig was elected Delegate at Large. After the installation of officers President Uhrig, who was elected for a second term, spoke at length on work accomplished by the Chapter during the year and thanked the members for their loyal co-operation which makes things worth while.

ST. PAUL.

By R. A. Brandt.

MAY 14th the St. Paul Chapter held its annual banquet at the Ryan Hotel. We were honored with the presence of Messrs. Flink, Roth and Pearson who are charter members of this chapter. About 70 members and several of the bank officers were present.

The speakers for the evening were: H. T. Halbert and L. C. Hodson. Their talks, although brief, were very interesting. G. Pearson favored us with a solo, and Mr. Wagner told some good funny stories.

This being the annual meeting of the year, the election of officers for the coming year was held. The final report showed the following elected: President, S. R. Harley, of the Capital National Bank; Vice-President, E. Bjorklund of the American National Bank; Secretary, W. J. Stutzman of the Merchants National Bank; Treasurer, N. P. Delander of the Merchants National Bank. Executive Committee—M. E. Ellingsen of the First National Bank and E. B. Strate of the Merchants National Bank.

The following delegates were elected to go to Dallas, Texas: E. J. Easton, Jr., American National Bank; W. J. Stutzman, Merchants National Bank; C. T. Dedon, Scandinavian American Bank and R. A. Brandt, First National Bank.

SAN FRANCISCO.

By W. F. Gabriel.

THE month of May, just closing, has been one full of activities for the members of the San Francisco Chapter.

On the evening of May 7th, we held our annual Vaudeville Show and dance at the Native

Sons Hall. We were favored with a large attendance of bank men and their friends. It was a pleasure to all, like a big congenial family meeting socially. The Chapter owes much, and is very grateful to the men that made our show such a success. Mr. Curran, for his able management and untiring efforts in gathering the talent for a show, enjoyable to all. Mr. Marcus, for the time and effort spent in arranging the show program. In Booklet form of 46 pages including a Review of the Institute work and a list of our members, it made a very attractive souvenir.

On the night of April 27th, nominations were made for Officers and Governors for the coming year and Delegates to the Dallas Convention. The evening was divided between four reels of moving pictures and the nominations. All enjoyed the pictures, which came as a new form of amusement for our members.

The election followed on the evening of the 21st. Polls were open between 4.30 and 8.30 P. M., and the early announcement that the evening would be given up to an "Old Fashioned Smoker" kept nearly all the voters downtown. The annual report of the Secretary-Treasurer was read and the election returns announced early in the evening. Those fortunate in the results are as follows: President, Jno. S. Curran, Humboldt Savings Bank; Vice-President, Wm. A. Marcus, Savings Union Bank and Trust Co.; Secretary-Treasurer, W. F. Gabriel, Wells-Fargo Nevada National Bank.

The following were elected for Governors for two years: W. D. Lux, Crocker National Bank; L. H. Hansen, German Savings & Loan Society; E. V. Krick, Savings Union Bank & Trust Co.; H. J. Moore, First National Bank; R. F. Schlingheyde, Bank of California; P. A. Pfleuger, Humboldt Savings Bank.

The following were elected for Delegates to the Dallas Convention—H. A. Haake, Crocker National Bank; Jos. H. Leal, Savings Union Bank & Trust Co.; R. E. Warner, Wells-Fargo Nevada National Bank; F. L. Starkweather, Bank of California.

Our retiring President then introduced Mr. Curran, who in a very able address outlined the work for the coming year. Praising Mr. Newell for his efforts in making the past a banner year for the Chapter, he continued bringing to the minds of all the importance of following the Institute Educational courses. How our future possibilities rest with us and the desire of the Chapter to co-operate with every member for his own welfare.

An excellent program entertained the members for the balance of the evening. For this and good eats we are much indebted to Victor Palmer, as Chairman of the Entertainment Committee.

To take advantage of the Holiday on Saturday, May 30th, our Entertainment Committee has arranged an Excursion up to Rio Vista, by water on the Steamer St. Helena. All plans point to a grand time for all that are able to attend. Leaving San Francisco at midnight Friday, we will ride to Rio Vista, where we are to be the guests of the town. Here we look forward to meeting the Sacramento Chapter, and Baseball games, Clam Bake, Camp Fires and an open air Show will take up the day and evening.

Sunday, a cruise around the Bay is planned, arriving home at 5 o'clock. Needless to say, all the men are counting the hours, until they can board the ship.

Classes are progressing and those who have earnestly attended look for their reward to-night, when the examinations take place. We feel very fortunate in being able to produce such fine instruction through the University of California Extension Division and hope to enjoy the privilege next year as well.

SPOKANE.

By J. C. Alston.

AT the last meeting of the Spokane Chapter, held on May 13th, the 1913-1914 officers formally handed over to the newly elected officers the affairs of the chapter, which are now in better condition than ever.

We were fortunate in having Professor M. M.

Bedall with us for the evening and his address on "Banking and Economics" was highly interesting. His caution not to tie ourselves to any one particular remedy for economic evils was timely and showed him to be a careful student of "Utopian failures."

All the officers present made speeches, in which enthusiasm for the work of the A. I. B. was not lacking, and Spokane Chapter feels that the coming year will be one of the most interesting and fruitful in its history.

WASHINGTON.

By Frank V. Grayson.

AMOST successful year was brought to a close Thursday, May 28th, when the new officers and governors were installed in office for the ensuing year. President Devereux, in his retiring speech, said that three things accomplished the past year stood out very prominent: First, That over twenty members have taken the required examinations in banking and commercial law, and from the latest report from Prof. Alexander Wolfe all had made good marks, but was not quite ready to render his final report or the winners of the prize money; second, the new and up-to-the-minute Constitution and By-Laws enacted this year; and, third, a most successful banquet. W. W. Spaid, in assuming the chair as president for the ensuing year, said that he would endeavor to give to the chapter his very best efforts and assured the boys that it would not be the fault of not trying if the year was not brought to a successful conclusion. All who have had the pleasure of coming in personal touch with Mr. Spaid have no fear that the year will not be a successful one, as he is a man of untiring energy, wonderful tact, and a diplomat of the new school.

Retiring President Devereux was presented with a smart "traveling kit" as a slight token of the esteem in which he is held by the members and as an appreciation of his never-ending efforts the past year. Mr. Devereux expects to carry this "kit" to the Dallas convention this fall and with the slippers hopes to "soft pedal" a number of votes his way for one of the vacancies on the Executive Council.

On Thursday, May 14th, we had the pleasure of listening to one of the most delightful travel talks ever given by anyone, when our first honorary member, Charles A. Douglas, spoke on "The Old World and the New"—gleaned from his trip abroad last summer and in many trips through our own glorious country. Mr. Douglas has a wonderful command of language and his word pictures of some of the scenes were most appealing.

WHEELING.

By W. W. England.

ON Tuesday evening, May 19th, Wheeling Chapter held its general and business meeting for May in the Wheeling Clearing House Room, Schmulbach Building. On this evening we strayed from the "straight and narrow path" of having some noted speaker address the Chapter and had our "First Debate." The subject being, "Resolved: That Government Ownership of Public Utilities is a Detriment to the Public." Affirmative—Robert Lee Boyd of National Exchange Bank, Wheeling, and Wyllie Ragerson, Marshall County Bank, Moundsville, W. Va. Negative—Frank T. Dowler, Center Wheeling Savings Bank, Wheeling, and H. E. Koehlein, Peoples Savings Bank, Martins Ferry, O.

Both sides were ably represented and the chapter was well pleased with its first experiment in this line.

Robert Lee Boyd was elected delegate to represent Wheeling Chapter at the Dallas Convention.

On June 2d we will have an open discussion on "The effect of the Federal Reserve Act on Non-Member Banks."

On June 16th at our general and business meeting we will have our "Second Debate."

